



## GENESEE COUNTY CONTROLLER'S OFFICE

1101 Beach Street, 3rd Floor • Flint, Michigan 48502

Phone: (810) 257-3040 • Fax: (810) 257-3560

**George Martini**  
*Controller*

March 28, 2005

State Treasurer  
Local Government Audit Division  
Treasury Building (2nd Floor)  
Lansing, MI 48922

Dear Sir/Madam:

This deficit reduction letter is being submitted in conjunction with Genesee County's Comprehensive Annual Financial Report (CAFR) for the period ending September 30, 2004. We have listed below the deficit fund balances shown in the report and the corrective actions being proposed.

The Jail Site Remediation Capital Project Fund incurred a deficit in fund balance at September 30, 2004 of \$21,618. This deficit was the result of the continued monitoring costs associated with the hazardous material removal from the site of the Genesee County Jail. While this project is still ongoing, it is part of the Administration Building debt service fund which reflects a \$53,826 fund balance for the fiscal year end. Both of these financial statements are part of the same project that has been accounted for in a single fund within Genesee County's accounting system. The debt service and capital activities were then broken out in the CAFR for reporting purposes. The combined balance sheet reflects a fund balance of \$32,208 (\$53,826-\$21,618), thus eliminating the deficit within the capital projects fund.

The Hughes and Hatcher Capital Project fund incurred a deficit fund balance at September 30, 2004 of \$147,608. This deficit was caused by the incurrence of costs associated with the renovation of the Hughes and Hatcher facility prior to the issuance of bonds to finance these renovations. The Board of Commissioners determined, by Resolution 04-458, to issue bonds and to use those proceeds combined with other revenue sources to finance the cost of rehabilitating this facility. This facility will be leased to the Genesee County Land Bank and other tenants for commercial and residential purposes. The bond proceeds were received in early November, 2004, effectively eliminating this deficit at that time.

The Genesee County Community Action Resource Department (GCCARD) General Building Debt Service fund incurred a deficit fund balance at September 30, 2004 of \$243,508. This project is for renovations for the Genesee County Community Action Resource Departments facilities and as such will be paid for through program revenues by GCCARD on an ongoing basis. Since this is an ongoing project, revenue flows will fluctuate until completion of the project and the deficit balance at September 30 was due to timing issues of anticipated costs. Adjustments within the current year budget allocations by GCCARD to cover the deficit will be made.

State Treasurer  
March 28, 2005  
Page Two

I hope this information assists you while reviewing our September 30, 2004, CAFR. If there is additional information required or if you have any other questions, please contact myself or Assistant Controller, Jauneysa Dorsey at 810-257-3857.

Sincerely,

A handwritten signature in cursive script that reads "George J. Martini". The signature is written in black ink and is positioned above the printed name and title.

George J. Martini  
Controller

## AUDITING PROCEDURES REPORT

Issued under P.A. 2 of 1968, as amended. Filing is mandatory.

Local Government Type <input type="checkbox"/> City <input type="checkbox"/> Township <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Government Name Genesee County	County Genesee
Audit Date 9/30/04	Opinion Date 3/11/05	Date Accountant Report Submitted to State:	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

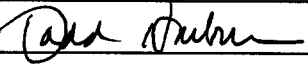
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- ☐ yes ☒ no 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements.
- ☒ yes ☐ no 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980).
- ☒ yes ☐ no 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1-968, as amended).
- ☐ yes ☒ no 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act.
- ☐ yes ☒ no 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91 ], or P.A. 55 of 1982, as amended [MCL 38.1132]).
- ☐ yes ☒ no 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit.
- ☐ yes ☒ no 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 1 00% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year).
- ☐ yes ☒ no 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241).
- ☐ yes ☒ no 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95).

**We have enclosed the following:**

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.			X
Reports on individual federal financial assistance programs (program audits).			X
Single Audit Reports (ASLGU).		X	

Certified Public Accountant (Firm Name) BKR Dupuis & Ryden			
Street Address 111 East Court Street	City Flint	State MI	ZIP 48502
Accountant Signature 			

## CONTENTS

### COMPREHENSIVE ANNUAL FINANCIAL REPORT GENESEE COUNTY September 30, 2004

		Pages	
		Financial Statements	Supplementary Financial Data
<b>I. INTRODUCTORY SECTION</b>			
	Certificate of Achievement.....		Inside Front Cover
	Organization Chart.....		2
	Transmittal Letter.....		3
<b>II. FINANCIAL SECTION</b>			
	Report of BKR Dupuis & Ryden, Independent Auditors'.....		9
	Management and Discussion Analysis .....		11
<b>Exhibit</b>			
	<b>Basic Financial Statements</b>		
	<b>Government-Wide Financial Statements:</b>		
A-1	Statement of Net Assets.....	19	
A-2	Statement of Activities- Governmental, Business-type, and Component Units.....	20	
	<b>Fund Financial Statements:</b>		
A-3-1	Balance Sheet- Assets Governmental Funds.....	22	
A-3-2	Balance Sheet- Liabilities and Fund Equities Governmental Funds.....	24	
A-3-3	Reconciliation of the Balance Sheet of Governmental Funds to Statement of Net Assets.....	26	
A-4	Statement of Revenues, Expenditures and Changes in Fund Balances- Governmental Funds.....	28	
A-5	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	30	
A-6	Balance Sheet- Proprietary Funds.....	32	
A-7	Statement of Revenues, Expenditures and Changes in Fund Net Assets- Proprietary Funds.....	34	
A-8	Statement of Cash Flows- Proprietary Funds.....	36	
A-9	Statement of Fiduciary Net Assets Fiduciary Funds.....	38	
A-10	Statement of Changes in Fiduciary Net Assets.....	39	
A-11	Statement of Net Assets Component Units.....	40	
A-12	Statement of Activities Component Units.....	42	
A-13	Notes to Financial Statements.....	44	
	<b>Required Supplementary Information:</b>		
A-14	Genesee County Employee's Retirement System- Analysis of Funding Progress for the Year Ended December 31, 2003.....	58	

	Pages	
	Financial Statements	Supplementary Financial Data
<b>General and Major Funds</b>		
Schedule of Revenues and Other Sources-Budget and Actual General Fund.....		61
Schedule of Expenditures and Appropriations- Budget and Actual General Fund.....		62
Schedule of Revenues and Other Sources-Budget and Actual Major Special Revenue Funds.....		64
Schedule of Expenditures and Appropriations- Budget and Actual Major Special Revenue Funds.....		65
<b>Combining Fund Financial Statements:</b>		
<b>Nonmajor Governmental Funds</b>		
Combining Balance Sheet.....		68
Combining Statement of Revenues, Expenses and Changes in Fund Balance.....		70
<b>Nonmajor Special Revenue Funds</b>		
Combining Balance Sheet.....		76
Combining Statement of Revenues, Expenses and Changes in Fund Balance.....		80
Schedule of Revenues and Other Sources-Budget and Actual.....		84
Schedule of Expenditures and Other Uses-Budget and Actual.....		86
<b>Debt Service Funds</b>		
Combining Balance Sheet.....		92
Combining Statement of Revenues Expenditures, and Changes in Fund Balance.....		94
<b>Capital Project Funds</b>		
Combining Balance Sheet.....		100
Combining Statement of Revenues, Expenditures and Changes in Fund Balance.....		102
<b>Fiduciary Funds</b>		
Combining Statements of Fiduciary Net Assets.....		108
Statement of Changes in Fiduciary Net Assets.....		110
Statement of Changes in Assets and Liabilities - Trust & Agency Funds.....		112
<b>Internal Service Funds</b>		
Combining Balance Sheet.....		118
Combining Statement of Revenues, Expenditures and Changes in Retained Earnings.....		120
Combining Statement of Cash Flows.....		122
<b>General Fixed Assets</b>		
Schedule of General Fixed Assets by Function and Activity.....		126
Schedule of Changes in General Fixed Assets by Function and Activity.....		128

# CONTENTS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

### GENESEE COUNTY

September 30, 2004 (Continued)

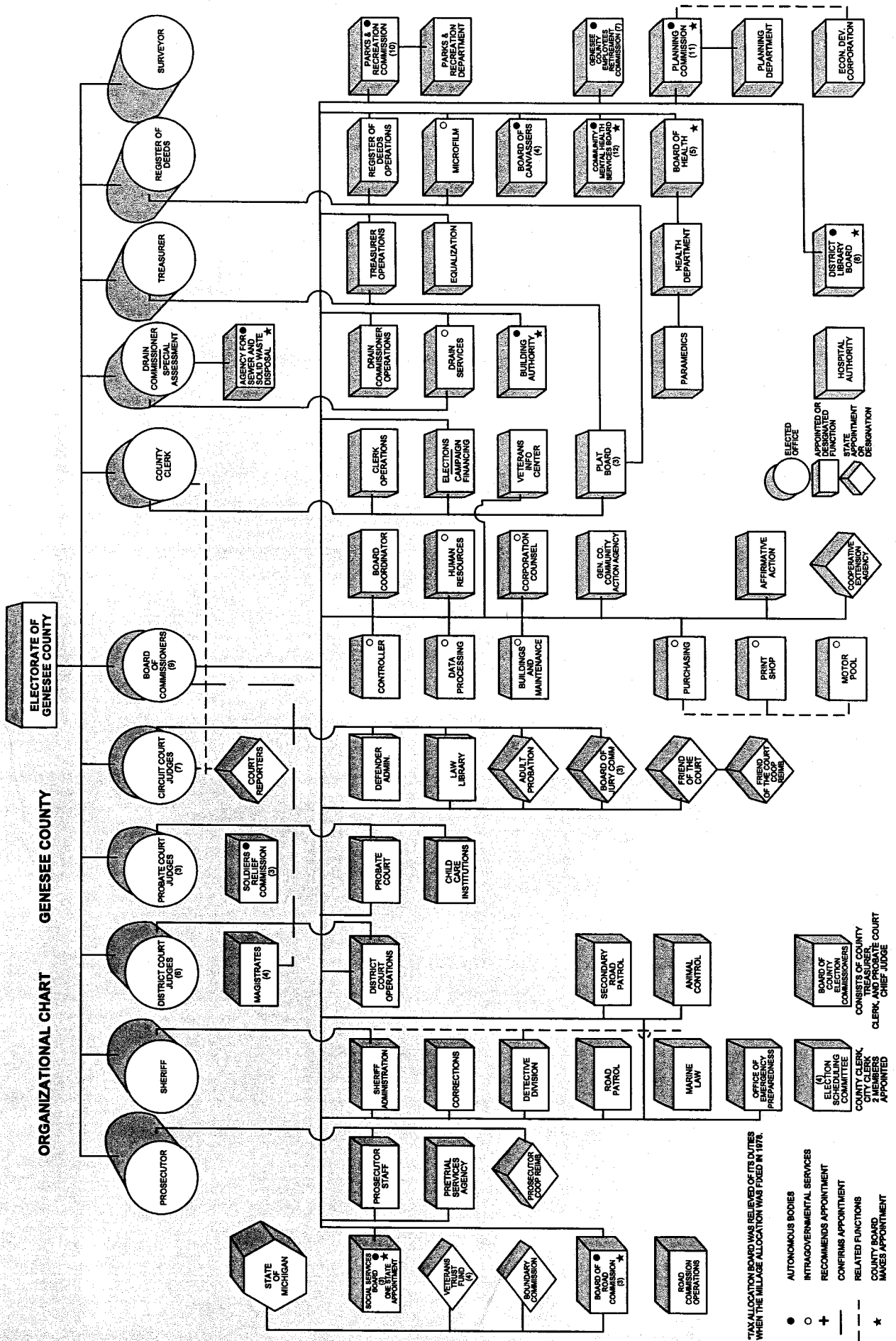
		Pages	
		Financial Statements	Supplementary Financial Data
<b>III. STATISTICAL SECTION</b>			
Table			
1	General Governmental Expenditures by Function-Last Ten Fiscal Years.....		130
2	General Governmental Revenues by Source-Last Ten Fiscal Years.....		130
3	Property Tax Levies and Collections-Last Ten Fiscal Years.....		132
4	Assessed and Estimated Actual Value of Taxable Property-Last Ten Fiscal Years.....		132
5	Property Tax Rates-Direct and All Overlapping Governments-Last Ten Fiscal Years.....		133
6	Special Assessment Collections-Last Ten Fiscal Years.....		133
7	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita-Last Ten Fiscal Years.....		134
8	Computation of Legal Debt Margin.....		134
9	Computation of Direct and Overlapping Debt.....		135
10	Ratio of Annual Debt Service Expenditures for General Long-Term Debt to Total General Governmental Expenditures-Last Ten Fiscal Years.....		135
11	Revenue Bond Coverage-Park System Recreational Facilities Enterprise Bonds- Last Ten Fiscal Years.....		136
12	Labor Contracts.....		136
13	Demographic Statistics.....		137
14	Property Value, Construction, and Bank Deposits-Last Ten Fiscal Years.....		138
15	Principal Taxpayers.....		139
16	Salaries and Surety Bonds of Principal Officials.....		139
17	Miscellaneous Statistics.....		140
18	Employee Retirement System-Comparative Schedule Actuarial Valuations-Last Ten Fiscal Years.....		142
19	Employees Retirement System -Revenues by Source and Expenses by Type-Last Ten Fiscal Years.....		142

---

# **I. INTRODUCTORY SECTION**

## **The Introductory Section Contains:**

- A. Certificate of Achievement**  
(Inside Front Cover)
- B. Organization Chart**
- C. Transmittal Letter**







## CONTROLLER'S OFFICE

1101 Beach Street • 3rd Floor  
Flint, Michigan 48502  
Phone (810) 257-3040

### George Martini

The Board of County Commissioners  
Genesee County  
Flint, Michigan

March 10, 2005

The Comprehensive Annual Financial Report of Genesee County for the fiscal period ended September 30, 2004 is submitted herein. This report was prepared by the County Controller's Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of this presentation, including all disclosures, rests with the County. We believe the data as presented is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County as measured by the financial activity of its various funds and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial activity have been included. A more detailed statement of management's responsibility for the Financial Statements is included in the Financial Section of this report, adjacent to the Auditor's opinion.

### Services Provided

The County is responsible for the management and financing of over 250 municipal services to its citizens. These services are separated into seven major program areas. These areas are: legislative, administration of justice, law enforcement and community protection, human services, community enrichment and development, management and planning, and general support. Approximately 87 percent of these services are mandated by State law and the Board's choice is to determine the funding level needed to maintain these functions at a serviceable level. The remaining 13 percent are discretionary. The Board's responsibility is to determine if these services should be funded and at what level.

The resources and expenditure data regarding these services are discussed in the Financial Review Section of this report.

### THE REPORTING ENTITY AND ITS SERVICES

The funds and entities related to Genesee County included in this Comprehensive Annual Financial Report are considered to be within the overall responsibility of the Board of Commissioners. The criteria used in determining the reporting entity is consistent with the Governmental Accounting Standards Board Codification Section 2100. Based on these criteria, the various funds and account groups shown in the Table of Contents are included in this report. Also included in this report are the Genesee County Road Commission, Water and Waste Services, Drains, and the Economic Development Corporation, which are presented as component units of Genesee County Government.

### ECONOMIC CONDITION AND OUTLOOK

In 2004, the people of Genesee County endured a difficult economic year. The local economy saw a decrease in unemployment from 9.4% in 2003 to 8.9% in 2004, due to a lagging national economy, and the loss of manufacturing jobs in Michigan and across the country.

2004 automotive sales were up over 2003 figures, but employment at GM, Delphi and SPO facilities decreased from approximately 19,900 jobs in 2003 to 17,900 jobs in 2004. This resulted not from layoffs, but from retirements at those facilities.

### DESCRIPTION OF COUNTY OPERATION

#### Background

Genesee County is geographically located in the southeast region of Michigan's Lower Peninsula, approximately 60 miles northwest of Detroit. It is the fourth largest county in the State of Michigan with an approximate population of 436,000. The dominant city of the County is Flint, with an approximate population of 125,000. Further information regarding the description of the County and its operations is included in Note A of the Financial Statements.

#### Organization of Government Unit

The government structure of Genesee County is based upon the State Constitution and the general laws of the State of Michigan. The County's legislative body and its administrative body for many functions, is the County Board of Commissioners. The Board consists of nine commissioners elected by direct vote from single-member districts. In addition to the nine members of the Board of Commissioners, there are twenty-two other elected officials serving the County as judicial, administrative, or staff officers. An organization chart depicting the County structure is shown on the page preceding this transmittal letter. The Controller is the Chief Accounting and Financial Officer of the County and assists the Board of Commissioners in fulfilling their responsibilities in the financial area. The County has assets totaling more than \$247.6 million for governmental and business-type activities with net assets in excess of \$159.6.

Late in 2004, GM announced a major upgrade of the GM Truck and Bus facility that is producing heavy duty pick up trucks and other high quality and popular vehicles. GM will invest some \$150 million into renovation and new technology at the facility, and guarantees that there will be production out of GM Truck and Bus into the future.

General Motors will be putting another \$300 million in new investment into Genesee County with the announcement of the construction of a new engine plant immediately next to the current engine facility that opened two years ago. This new plant will produce the GM's Global V-6 engine. The new facility will employ some 350 workers, though these will not be new jobs, but transfers from other GM facilities.

The Flint-Genesee Economic Growth Alliance is the point of first contact for business and industry that want to locate or expand in Genesee County. Initiated in 1987 as a private-public partnership, the Flint-Genesee Economic Growth Alliance's focus is to bring new life into Genesee County by attracting diverse industries through promotion of the county's physical and human resources. A major emphasis is also to retain GM and other related employment.

In 2004, Growth Alliance reported that new businesses built facilities worth more than \$5 million in new investment in Genesee County that will create 70 new good paying jobs to our economy. Existing businesses expanded facilities in Genesee County with an investment value of some \$4 million, retaining 80 jobs while creating another 48 jobs for the local economy.

2004 saw the construction of 2,050 new single-family homes and condominium units in Genesee County, with a total value of approximately \$483 million.

Genesee County Historic Crossroads Village continues to draw large numbers of visitors to Genesee County. The County Parks and Recreation Commission has made a number of improvements to facilities throughout the Genesee County parks system. Revenue for these improvements came from the Board of Commissioners, and from state grants to the Parks and Recreation Commission.

With available space to grow due to the transfer of the former Autoworld property to University of Michigan-Flint, the campus has continued to expand the number of programs being offered to students. UM-F continues to review possible housing options for its students. C. S. Mott Community College completed its new Technology Center, and continues to offer its students new and cutting edge applied technical skills and knowledge, while offering the regions business and industry the ability to provide customized training in the latest technical skills needed by employees in the new work environment of the 21<sup>st</sup> century.

Finally, the County's tax rate in 2004 was 5.52 mills. This millage rate is reduced from 5.68 mills due to the Michigan Headlee Amendment that limits any increase in the property tax to the annual inflation rate, unless a millage increase election is held. Genesee County voters were not asked to approve a millage increase from 5.52 to 5.68 mills. The increase in Taxable Value, due to increasing property values and new construction from 2003 to 2004, generated \$2,426,589 of additional revenue. The additional revenue was used to maintain essential and desirable services.

#### MAJOR INITIATIVES

One of the ongoing activities in Genesee County is the continued development of Bishop International Airport. What was once a sleepy general flight facility has grown into a truly international airport. Today, Bishop International Airport has become the second fastest growing airport in the nation, with 2004 passenger traffic up almost 26% above 2003 figures that were also a record. Facilities continue to grow and improve. Freight traffic through Bishop also saw a 10% increase. In 2004, additional parking was created and a new wing on the airport terminal was completed. The Bishop International Airport Authority continues to oversee the operation and development of this important economic development tool.

Kettering University continues to develop its fuel cell research initiative. In 2003, Kettering received nearly \$3 million from the federal government, state government and a variety of additional sources to complete its Center for Fuel Cell Systems and Powertrain Integration. In 2004, Kettering University is continuing toward their next phase of fuel cell research. They are again seeking funding for a new Solid Oxide Fuel Cell Manufacturing Research Laboratory, a 2,000 square foot facility to be located in the Kettering Research and Technology Park. The Michigan Economic Development Corporation has again pledged \$520,000 toward the new endeavor and the Michigan Public Service Commission has also received an application for funding.

Genesee County's effort to initiate a Graphic Information System (G.I.S.) for use by County departments, local units of government and other community agencies is ongoing. In 2004, upgrades in the county's computer hardware and software were completed. Late in 2004, a cost sharing agreement between the Genesee County, the County Road Commission and the County Drain Commission provided the dollars to hire the County's first G.I.S. Director. A centerline project that was to have cost as much as \$500,000 was achieved at not cost, through a partnership that the Director forged between Genesee County and the State of Michigan. Data sharing between governmental units is taking place, and requests for access to information contained in the system are being received from local businesses and other agencies. A number of county departments are already participating, with more departments coming online.

County departments continue to maintain a serviceable level of governmental services, mandated and non-mandated, despite

budget reductions in the 2004-2005 FY county budget. This is accomplished through continued improvement of the county computer system, through development of new methods of storage and retrieval of information, and through continued improvements in employee productivity.

#### FINANCIAL INFORMATION

As in past years, the effective management of local governmental finances is a continuous challenge for the legislative body of Genesee County. The Board of Commissioners' action in the latter part of 2003 to maintain property taxes at the allowable limit had a positive effect on the 2004 revenues.

In response to the revenue increases, the Board of Commissioners was able to maintain a serviceable level of services even though costs continue to rise.

#### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The County's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenue being recorded when available and measurable and expenditures being recorded when the services or goods are received and the related liabilities are incurred. Accounting records for the County's proprietary and similar fiduciary funds are maintained on the accrual basis.

In developing and evaluating the County's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurances regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework.

As a recipient of federal and state financial assistance, the County is responsible for ensuring an adequate internal control structure to ensure compliance with the applicable laws and regulations related to those programs, as well as meet the single audit requirements. The results of the County's 2003 single audit provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations.

It is anticipated that the 2004 single audit, when completed, will provide the same results. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurances of proper recording of financial transactions.

Budgetary control is maintained at the sub function level by the encumbrance of estimated purchase amounts prior to the release of purchase orders to vendors. There were no encumbrances at the end of the year, since they became valid accounts payable or the encumbered amounts were released.

#### FINANCIAL REVIEW

The County's operations are accounted for through seven different fund types as outlined in the Financial Report Format Section of this Transmittal Letter. The revenues received and expenditure incurred in the general operations of the County are recorded in the General Fund. The revenues and expenditures recorded in the General Fund. The revenues and expenditures recorded in funds other than the General Fund are designated for specific programs or purposes.

Beginning with the year ended in December 31, 1993, consistent with the provisions of GASB Statement No. 14, The Financial

Reporting Entity, the financial information for the Genesee County Road Commission has been changed from a blended presentation to a discrete presentation. The following revenue and expenditure analysis are for the primary government only and do not include comparisons for the Genesee County Road Commission or other discretely presented component units, the Economic Development Corporation, Water and Waste Services or the Drains.

## REVENUE

The County recorded program revenues of \$207,514,039 in 2004, and general revenues of \$100,788,844 in 2004 for a total of \$308,302,903 in available resources.

## EXPENSES

The County recorded primary governmental operating expenses in 2004 of \$298,522,098 and business-type expenses of \$6,109,903 for a total of \$304,662,001.

## EFFECT OF REVENUE LIMITATIONS

Michigan has the Headlee Amendment, which limits any increase in property tax to the annual inflation rate. In addition, any flow-through of special taxes (i.e. Alcohol and Cigarette Taxes) enacted by the State subsequent to the Headlee Amendment from which the County derives a benefit must reduce the property tax billed to the County residents. In order for the County to benefit from these special taxes, the Board of Commissioners must announce their intent to roll up property taxes to the maximum allowable and then hold a public hearing prior to Board action. The maximum allowable property tax is the product of the approved millage times the State Equalized Value limited to inflation rate without considering the effects of the special taxes. In order to assess above the inflation rate, voters must approve an increase in the millage.

The Headlee provisions were still applicable for Genesee County in 2004 with the result that the property tax rates for general operations were limited to 5.52 mills while the millage rate for both Paramedics and Parks and Recreation was limited to .4849 mills. The millages were reduced from the maximum allowable of 5.68 for general operation and .5 mills for both Parks and Recreation and the Paramedics. Although there was no intent to hold an election to approve the roll-up of millage to the maximum allowable, the Board of Commissioners did roll up the property tax rate to the maximum allowable rate without a vote of the public to take advantage of the benefits derived from the special taxes.

## GENERAL FUND BALANCE

General Motors appealed its property taxes beginning in 1983 for properties located in the City of Flint, Genesee Township, and City of Grand Blanc and Grand Blanc Township requesting a rebate for which the County is partially liable. During 1992, settlement was reached on the properties located in the City of Flint and Genesee Township while the City of Grand Blanc and Grand Blanc Township property was settled during 1995. The County's portion of the settlements for the City of Flint and Genesee Township properties totaled \$4,044,869, which is being repaid in nine installments of \$449,430, which began in 1993. The County's portion of the settlement for the City of Grand Blanc and Grand Blanc Township property was \$934,992, which will be repaid, in nine annual installments of \$103,888, which began in 1997. Both pre-settlement and post-settlement interest have been waived. The remaining balance still owed to General Motors as of September 30, 2004 is \$103,888.

In recent years expenditures have exceeded revenues. The County, in order to maintain a serviceable level, has used transfers from various funds. The Delinquent Tax Revolving Fund has been the primary source of other financing for the General Fund. The

transfers, along with the use of other funds' fund balances, have stopped the erosion of the General Fund balance.

The transfer from Delinquent Tax revolving to General Fund was \$3,381,602 in 2004, a decrease of \$3,273,376 from 2003. The General Fund fund balance increased from \$18,942,767 in 2003, to \$18,994,852 in 2004, an increase of \$52,085 or .01%. The Delinquent Tax Revolving fund experienced a decrease in net assets during 2004 from \$29,534,103 to \$25,362,826, a decrease of \$4,171,277 or 14%. Careful budgeting in the General Fund and decreases in transfers from Delinquent Tax Revolving should enable the County to maintain this level of reserves.

## ENTERPRISE OPERATIONS

The enterprise operations consist of the Parks System Recreational Facilities.

	<u>Operating Revenues</u>		<u>Net Income (loss)</u>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
Parks System Recreational Facilities	\$413,848	\$1,182,977	\$(40,910)	\$(161,353)

## PENSION TRUST FUND OPERATIONS

The fiscal year end for the Genesee County Employees Retirement System did not change to September 30 but instead remains December 31. The statements presented for the Pension system reflect the January 1, 2003 through December 31, 2003 calendar year.

The operations of the Genesee County Employees Retirement System (GCERS) continued to grow as the number of retirees increased from 1,294 to 1,313 or 1.5% during 2003. At December 31, 2003 the GCER's net assets totaled \$429,646,637.

## DEBT ADMINISTRATION

At September 30, 2004 the County had a number of debt issues outstanding. The issues included \$19,369,000 of general obligation bonds, \$14,617,000 in taxable delinquent property tax notes and \$747,432 in various capital leases and a land contract. The County has an A+ rating from Standard & Poor's Corporation and an A2 from Moody's Investors Service on general obligation unlimited tax bond issues and on bond issues with tax limitations.

The County debt limit, as defined by statute, is ten percent (10%) of equalized property values or \$1,149,136,458. Total County long-term debt was \$158,918,842 at September 30, 2004 (\$80,318,237 subject to debt limit) of which \$107,355,522 represents amounts issued by Component Units of Genesee County, specifically Water and Waste Services, the Genesee County Road Commission, and the Drain fund.

At September 30, 2004, \$17,373 has been provided for the retirement of County debt and \$14,925,396 has been provided for the funding of post-retirement benefits, the total of \$14,908,023 appears as the amount available for debt service.

Summarized on the following page is the debt of the County, including both general obligations and debt secured by the County's pledge of full faith and credit.

	2004	2003	2002	2001	2000
Net Bonded Debt Per Capita	\$270	\$275	\$275	\$298	\$314
Net Bonded Debt as a Percentage of Assessed Value of Taxable Property	1.0%	1.0%	1.3%	1.3%	1.4%
Debt Service Expenditures as A Percentage of Governmental Expenditures including Debt Service Expenditures)	1.7%	1.9%	1.7%	2.2%	1.6%

#### CASH MANAGEMENT

Excess cash during the year was invested in Certificates of Deposit ranging from 7 days to 1 year to maturity, Commercial Paper ranging from 1 to 270 days to maturity and/or other U.S. Government Instruments with maturities ranging from 3 months to 2 years. Any uninvested funds in the bank checking accounts were swept into interest bearing trust accounts. As checks were presented for payment, monies to cover the checks were transferred from the Trust accounts into the checking accounts. The approximate mix of investments for 2004 was 76.3% in Certificates of Deposit, 3.5% in Commercial Paper, .6% in Managed Pool Accounts, and 19.6% in other U.S. Government Instruments and the trust accounts. The average yield for 2004, except for the pension fund, was approximately 1.20%, which generated interest in the amount of \$1,345,330.

The pension fund portfolio, which includes common stocks, corporate bonds and real estate investments, achieved a total return of 8.0% for 2003, the systems latest fiscal year. The rate of return on pension fund investments is a reflection of the market conditions in 2003.

Since the greater portion of County deposits are not insured and Michigan law prohibits collateralization of government deposits, the County uses an independent rating firm to rate both depository banks and those with which are placed certificates of deposit. Certificates of deposits over \$100,000 are placed only with major banks. The financial position of lesser rated banks are reviewed quarterly with higher rated and major banks reviewed annually by the County staff.

#### RISK MANAGEMENT

In 2004, the County was self-insured for property and liability insurance up to \$50,000 and \$500,000, respectively, for specific losses. The County is insured for the amount of claims in excess of such limitation to a maximum of replacement cost for property and \$20,000,000 for liability claims. The County is self-insured for claims in excess of insurance coverage. The County is also self-insured for the first \$50,000 of catastrophic coverage for auto physical damage per designated location. The County is self-insured for the first \$500,000 of workers' compensation losses.

The County paid losses within its self-insured retention through an Internal Service Fund. The net assets as of September 30, 2004 were \$7,026,990 with \$2,417,794 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$2.42 million for 2004. The County's Risk Manager provides employee accident prevention training and various risk control techniques through a continuing education program.

#### INDEPENDENT AUDIT

State Statutes require an annual audit by independent certified public accountants. The accounting firm of BKR Dupuis & Ryden, was selected by the County's audit subcommittee and approved by the Board. In addition to meeting the requirements set forth in State statutes, the audit is designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133. The auditor's report on the general purpose financial statements and

combining and individual fund statements and schedules is included in the financial section of this report. The auditor's report re specifically to the single audit is not included in this report, it issued as a separate report.

#### CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Genesee County, Michigan for

its comprehensive annual financial report for the fiscal period ending September 30, 2003, the twenty-sixth consecutive year.

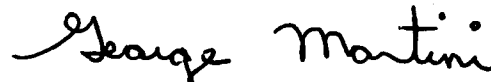
In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized comprehensive annual financial report, whose content must conform to program standards. Such reports must satisfy generally accepted accounting principles and applicable requirements.

A Certificate of Achievement for Excellence is valid for a period of one year only. We believe our current report continues to conform to the requirements of the Certificate of Achievement for Excellence in Financial Reporting Program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Very truly yours,



Commissioner Richard E. Hammel  
Chairperson of the Board of Commissioners



George Martini  
Controller

## **II. FINANCIAL SECTION**

**The Financial Section Contains:**

- A. Auditor's Report**
- B. Management's Discussion and Analysis**
- C. Basic Financial Statements**
- D. Notes to Financial Statements**
- E. Combining Statements Representative  
of the Financial Operations and the  
Changes in Cash Flows for the fiscal  
period ended September 30, 2004**

## **MANAGEMENT'S STATEMENT OF RESPONSIBILITY FOR FINANCIAL STATEMENTS**

### **GENESEE COUNTY**

The following comprehensive annual financial statements and related notes of Genesee County were prepared by management in accordance with generally accepted accounting principles. The Board of Commissioners through the Audit Subcommittee of the Finance Committee (composed of Commissioners) is responsible for assuring that management fulfills its responsibilities in the preparation of the financial statements.

Management is responsible for the integrity and objectivity of the comprehensive annual financial statements which are presented in accordance with generally accepted methods of accounting. Established accounting procedures are designed to provide books, records, and accounts which fairly reflect the transactions of the County.

The training of qualified personnel and the assignment of duties are intended to provide good internal controls. This provides assurances that transactions are executed in accordance with management's authorization and that adequate accountability of the County's assets is maintained.

BKR Dupuis & Ryden, independent public accountants, with direct access to the Board of Commissioners through its Audit Subcommittee, have examined the comprehensive annual financial statements prepared by the County, and their report follows.

## Independent Auditors' Report

To the Board of Commissioners  
Genesee County  
Flint, Michigan

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Genesee County, Michigan as of September 30, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents, and for the year then ended. These basic financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. We did not audit the financial statements of the Genesee County Water and Waste Services which represents 66 percent and 43 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. We also did not audit the financial statements of the Genesee County Community Mental Health Services, a fund of the County and which represents 26 percent and 33 percent, respectively, of the assets and revenues of the governmental funds. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Genesee County Water and Waste Services and Genesee County Community Mental Health Services, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Genesee County, Michigan at September 30, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, budgetary comparison information, and the pension plan analysis of funding progress are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Genesee County's basic financial statements. The introductory section, the combining and individual non-major fund financial statements, and the statistical data are presented for purposes of additional analysis and are not a required part of the basic financial statements. These combining and individual non-major fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, are fairly stated in all material respects to the basic financial statements taken as a whole. The introductory section and the statistical data presented in Tables 1 through 19 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Certified Public Accountants  
Flint Office

March 11, 2005



# MANAGEMENT'S DISCUSSION AND ANALYSIS

## GENESEE COUNTY

As management of Genesee County, we offer readers of the Genesee County's financial statements this narrative overview and analysis of the financial activities of Genesee County for the fiscal year ended September 30, 2004. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

### Financial Highlights

- The assets of Genesee County exceeded its liabilities at the close of the most recent fiscal year by \$159,680,615 (net assets). Of this amount, \$87,227,773 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets increased by \$3,640,902. This net increase was attributed to Governmental activities, while Business-type activities showed a decrease; the overall increase is attributed to economic factors, as well as, the completion of the Courthouse Square project.
- As of the close of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$65,132,957, an increase of \$11,136,761 in comparison with the prior year. Approximately 25% of this total amount, \$15,994,852, is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$15,994,852, 22.6% of total general fund expenditures.
- Genesee County's total debt was increased by the issuance of \$1,500,000 of new debt during the current fiscal year. This amount was issued for the Genesee County Land Reutilization Council rehabilitation project.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Genesee County's basic financial statements. Genesee County's basic financial statements comprise three components: 1) government-wide financial statement, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements.** The government-wide financial statements are designed to provide readers with a broad overview of Genesee County's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all Genesee County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Genesee County is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Genesee County that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of Genesee County include legislative, management and planning, administration of justice, law enforcement, human services, community enrichment, general support, and other. The business-type activities of Genesee County include Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund.

The government-wide financial statements include not only Genesee County itself (known as the primary government), but also four legally separated component units for which Genesee County is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found as Exhibit A-1 and A-2 of this report.

**Fund Financial Statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Genesee County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Genesee County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Genesee County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and four special revenue funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Genesee County adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found as Exhibit A-3 and A-4 of this report.

**Proprietary Funds** Genesee County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Genesee County uses enterprise funds to account for its Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among Genesee County's various functions. Genesee County uses internal service funds to account for its fleet vehicles, building and grounds maintenance, Property and Casualty and other Administrative Services. Because all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Parks and Recreation System, Jail Commissary and Delinquent Tax Revolving Fund. Conversely, all internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found as Exhibit A-6, A-7, and A-8 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Genesee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found as Exhibit A-9 and A-10 of this report.

**Component Units Presented.** The government-wide financial statements include not only Genesee County itself (known as the primary government), but also four legally separated component units for which Genesee County is financially accountable. Financial information for the component units is reported separately from the financial information presented for the primary government itself.

The basic component unit financial statements can be found as Exhibit A-11 and A-12 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as Exhibit A-13 of this report.

**Other Information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning Genesee County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found as Exhibit A-14 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found as Exhibit A-15 of this report.

#### Government-wide Financial Analysis

As noted earlier, net assets may serve overtime as a useful indicator of a government's financial position. In the case of Genesee County, assets exceeded liabilities by \$159,680,115 at the close of the most recent fiscal year.

A significant portion of Genesee County's net assets (41.87% Percent) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. Genesee County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Genesee County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### GENESEE COUNTY'S NET ASSETS

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$102,600,011	\$38,479,185	141,079,196
Capital assets	<u>100,460,604</u>	<u>6,095,788</u>	<u>106,556,392</u>
Total assets	<u>203,060,615</u>	<u>44,574,973</u>	<u>247,635,588</u>

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Long-term liabilities outstanding	38,910,655	15,226,000	54,136,655
Other liabilities	<u>32,788,674</u>	<u>1,136,146</u>	<u>33,924,820</u>
Total liabilities	<u>71,699,329</u>	<u>16,362,146</u>	<u>88,061,475</u>
Net assets:			
Invested in capital assets, net of related debt	64,123,284	5,486,788	66,855,947
Restricted		5,596,895	5,596,895
Unrestricted	<u>65,344,504</u>	<u>17,129,144</u>	<u>87,227,773</u>
Total net assets	<u>\$131,467,788</u>	<u>\$28,212,827</u>	<u>\$159,680,615</u>

An additional portion of Genesee County's net assets (3.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$87,227,773) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, Genesee County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The government's total net assets increased by \$3,640,902. This increase represents Governmental activities which is attributed to economic factors, as well as, the completion of the Courthouse Square project.

**Governmental Activities** Governmental activities increased Genesee County's net assets by \$7,729,602, key elements affecting this change are as follows:

#### Genesee County's Change in Net Assets

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
Revenues:			
Program revenues:			
Charges for services	\$ 88,562,628	\$10,503,938	\$ 99,066,566
Operating grants and contributions	108,447,493	-	108,447,493
General revenues:			
Taxes	61,506,389	-	61,506,389
Unrestricted contributions	4,154,743	-	4,154,743
Use of money and investments	4,092,363	346,553	4,438,916
Other intergovernmental revenues	26,822,619	-	26,822,619
Other unrestricted revenues	<u>3,866,177</u>	<u>-</u>	<u>3,866,177</u>
Total revenues	297,452,412	10,850,493	308,302,903
Expenses			
Legislative	927,251	-	927,251
Management and planning	18,128,369	-	18,128,369
Administration of justice	36,764,408	-	36,764,408
Law enforcement/commun. protec.	37,074,422	-	37,074,422
Human services	193,080,458	-	193,080,458
Community enrichment/develop.	7,759,423	-	7,759,423
General support services	201,566	-	201,566
Other	3,166,480	-	3,166,480
Interest on long-term debt	1,449,721	-	1,449,721
Commissary		260,464	260,464
Delinquent Tax	4,339,170	4,339,170	
Parks & Recreation Enterprise	<u>1,510,269</u>	<u>1,510,269</u>	
Total Expenses	<u>298,552,098</u>	<u>6,109,903</u>	<u>304,662,001</u>
Increase in net assets before transfers	(1,099,686)	4,740,590	3,640,904
Transfers	<u>8,829,288</u>	<u>(8,829,288)</u>	
Change in net assets	7,729,602	(4,088,700)	3,640,902
Net assets - 10/01/2003	<u>123,738,186</u>	<u>32,301,527</u>	<u>156,039,713</u>
Net assets - 09/30/2004	<u>\$131,467,788</u>	<u>\$28,212,827</u>	<u>\$159,680,615</u>

- Implementation of GASB 34 requirements has changed the presentation of this report and is reflected in the net asset balances.
- Reductions to State funding in several key areas such as revenue sharing and program grants has forced cut backs in many areas.
- Due to funding shortages and higher than anticipated costs, Genesee County's General Fund has only seen a \$52,085 increase in fund balance.
- Property taxes increased by \$6,887,024 during the year. Most of this increase is the product of a strong residential growth in the southern portion of the county and a strong housing market spurred by low interest rates.

- Operating grants for governmental activities remain a large part of the overall budget. These grants support a variety of community services in the county.
- For the most part, increases in expenses closely paralleled inflation and growth in the demand for services.

**Business-type activities.** The net assets for business-type activities decreased by \$4,088,700. Key elements of this decrease are as follows.

- The Delinquent Tax Revolving fund reflects a major portion of the decrease in retained earnings from 2003. The implementation of new requirements as well as the transfer of funds to Governmental activities for support of capital purchases and debt service requirements are reflected in this decrease.

#### **Financial Analysis of the Government's Funds**

As noted earlier, Genesee County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of Genesee County's governmental funds is to provide information on near-term inflows, outflows, and balances of available resources. Such information is useful in assessing Genesee County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, Genesee County's governmental funds reported combined ending fund balances of \$65,132,957, an increase of \$10,701,920 in comparison with the prior year. Approximately 25% of this total amount (\$15,994,852) constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed for a variety of other restricted purposes.

The general fund is the chief operating fund of Genesee County. At the end of the current fiscal year, unreserved fund balance of the general fund was \$15,994,852, while total fund balance was increased to \$18,994,852. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 22.6 percent of total general fund expenditures, while total fund balance represents 26.8 percent of that same amount.

The fund balance of Genesee County's general fund, increased by \$52,085 during the current fiscal year. Key factors in this increase are as follows:

- Anticipating shrinking State revenues the Genesee County Government has caused the implemented policies in an effort to reduce expenditures over the course of the current fiscal year.
- Decrease in appropriations were made to Community Mental Health funds has caused the implemented policies in an effort to reduce expenditures over the course of the current fiscal year.

The debt service fund has a total fund balance of \$14,908,023, all of which is reserved for the payment of debt service. The net increase in fund balance during the current year in the debt service fund was \$3,608,792. This amount reflects monies being used for financing of future post retirement benefits for employees.

**Proprietary funds.** Genesee County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets at the end of the year amounted to \$14,682,913. The total decrease in net assets for all funds was \$4,088,700. Other factors concerning the finances of these funds have already been addressed in the discussion of Genesee County's business-type activities.

#### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were relatively minor with no additional appropriations required due to changes in revenue streams. During the year, however, expenditure exceeded budgetary estimates and revenues were less than budgetary estimates, thus the need to draw upon existing fund balance.

#### **Capital Asset and Debt Administration**

**Capital assets.** Genesee County's investment in capital assets for its governmental and business type activities as of September 30, 2004, amounts to \$106,556,392 (net of accumulated depreciation). This investment in capital assets included land, buildings and system, improvements, machinery and equipment, and park facilities.

Additional information on Genesee County's capital assets can be found in Note D in Exhibit A-13 of this report.

**Long-term debt.** At the end of the current fiscal year, Genesee County had total bonded debt outstanding of \$158,918,842. Of this amount, \$51,563,320 comprises debt backed by the full faith and credit of the government and \$107,355,522 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment.

Genesee County's total debt including component units increased by \$28,625,590 during the current fiscal year. The key factor in this increase was due to additions related to expansion in the water supply system and normal debt retirement in the fiscal years budget. Genesee County's (Primary Government) total debt increased by the issuance of \$1,500,000 during the current fiscal year. This amount was issued for the continuing renovation of the Land Reutilization Building.

Genesee County maintains an "A+" rating from Standard & Poor's and Fitch and an "A2" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for Genesee County is \$1,149,136,458, which is significantly in excess of Genesee County's outstanding general obligation debt.

Additional information on Genesee County's long-term debt can be found in note E of Exhibit A-13 of this report.

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for Genesee County is currently 8.9 percent, which is a decrease from a rate of 9.4 percent a year ago. This decrease is attributed to local conditions and is reflective of state and national trends.
- The government expects to see reduced funding from State agencies due to a reduction in tax collections as seen in a nation-wide trend of state and local revenues.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing Genesee County's budget for the 2005 fiscal year.

**Request for Information**

The financial report is designed to provide a general overview of Genesee County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Controller, County of Genesee, 1101 Beach Street, Flint, MI 48502.

# **BASIC FINANCIAL STATEMENTS**

# STATEMENT OF NET ASSETS

SEPTEMBER 30, 2004

GENESEE COUNTY

Exhibit A-1

	Governmental Activities	Business-type Activities	Total	Component Units
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 34,713,791	\$ 2,128,430	\$ 36,842,221	\$ 59,173,935
Investments.....	35,695,435	9,745,346	45,440,781	38,922,426
Current and delinquent taxes receivable.....		21,039,226	21,039,226	
Special assessments receivable.....				55,715,301
Interest and accounts receivable.....	3,860,416	3,807,858	7,668,274	4,224,719
Due from other governmental units.....	24,694,170	2,538,232	27,232,402	8,552,534
Internal Balances.....	944,400	(944,400)		
Supplies inventory.....	600,569	14,424	614,993	1,165,422
Prepayments.....	1,482,003	150,069	1,632,072	14,485
Other assets.....	109,227		109,227	
Restricted assets:				
Cash.....				708,643
Long term advances to component units.....	500,000		500,000	
Capital assets (net of accumulated depreciation)				
Land.....	19,840,139	4,756,971	24,597,110	126,564,293
Buildings.....	73,266,374	452,222	73,718,596	
Machinery and equipment.....	7,185,175	886,595	8,071,770	55,050,668
Construction in progress.....	168,916		168,916	667,181
<b>Total assets</b>	<b>203,060,615</b>	<b>44,574,973</b>	<b>247,635,588</b>	<b>350,759,607</b>
<b>LIABILITIES</b>				
Accounts payable.....	12,078,947	239,484	12,318,431	4,634,863
Accrued payroll.....	2,681,548	26,122	2,707,670	12,967
Accrued vacation.....	5,648,466		5,648,466	
Other accrued liabilities and deposits.....	5,672,922	655,747	6,328,669	421,497
Due to other governmental units.....	3,687,747	214,793	3,902,540	544,593
Long term advances from primary government.....				500,000
Unearned revenue.....	3,019,044		3,019,044	3,374,373
Liabilities payable from restricted assets:				
Accounts payable.....				3,239,089
Noncurrent liabilities:				
Current portion debt.....	3,009,123	14,762,500	17,771,623	12,145,000
Long term debt.....	35,901,532	463,500	36,365,032	95,210,522
<b>Total liabilities</b>	<b>71,699,329</b>	<b>16,362,146</b>	<b>88,061,475</b>	<b>120,082,904</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt.....	64,123,284	5,486,788	69,610,072	147,505,863
Restricted for retirement tax notes.....		5,596,895	5,596,895	
Unrestricted.....	67,344,504	17,129,144	84,473,648	83,171,040
<b>Total net assets</b>	<b>\$ 131,467,788</b>	<b>\$ 28,212,827</b>	<b>\$ 159,680,615</b>	<b>\$ 230,676,703</b>

See notes to financial statements

**STATEMENT OF ACTIVITIES - GOVERNMENTAL, BUSINESS-TYPE,  
AND COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

**GENESEE COUNTY**

**Exhibit A-2**

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants and Contributions
Primary government:			
Governmental activities:			
Legislative	\$ 927,251		
Management and planning	18,128,369	\$ 6,760,492	\$ 325,666
Administration of justice	36,764,408	4,207,446	8,529,022
Law enforcement and community protection	37,074,422	1,540,849	2,139,419
Human services	193,080,458	74,186,952	96,737,188
Community enrichment and development	7,759,423	1,866,889	716,198
General support services	201,566		
Other	3,166,480		
Interest on long-term debt	1,449,721		
<b>Total governmental activities</b>	<b>298,552,098</b>	<b>88,562,628</b>	<b>108,447,493</b>
Business-type Activities:			
Commissary	260,464	458,052	
Delinquent Tax	4,339,170	9,632,038	
Parks and Recreation Enterprise	1,510,269	413,848	
<b>Total business-type activities</b>	<b>6,109,903</b>	<b>10,503,938</b>	<b>0</b>
<b>Total primary government</b>	<b>\$ 304,662,001</b>	<b>\$ 99,066,566</b>	<b>\$ 108,447,493</b>
Component units:			
Drains.....	2,728,497	889,680	
Economic Development Corporation.....	324,335	6,660	
Road Commission.....	24,443,868	5,646,564	27,608,441
Water and Waste.....	28,605,034	29,500,625	
<b>Total Component Units</b>	<b>\$ 56,101,734</b>	<b>\$ 36,043,529</b>	<b>\$ 27,608,441</b>

See notes to financial statements



**Net (Expense) Revenue and  
Changes in Net Assets  
Primary Government**

<b>Capital Grants and Contributions</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Component Units</b>
	\$ (927,251)		\$ (927,251)	
	(11,042,211)		(11,042,211)	
	(24,027,940)		(24,027,940)	
	(33,394,154)		(33,394,154)	
	(22,156,318)		(22,156,318)	
	(5,176,336)		(5,176,336)	
	(201,566)		(201,566)	
	(3,166,480)		(3,166,480)	
	(1,449,721)		(1,449,721)	
0	(101,541,977)	\$ 0	(101,541,977)	0
		197,588	197,588	
		5,292,868	5,292,868	
		(1,096,421)	(1,096,421)	
0	0	4,394,035	4,394,035	0
\$ 0	(101,541,977)	4,394,035	(97,147,942)	0
				\$ (1,838,817)
				(317,675)
				8,811,137
				895,591
\$ 0				7,550,236
<b>General Revenues:</b>				
Taxes.....	61,506,389		61,506,389	1,698,169
State income tax.....	5,929,005		5,929,005	
Single business tax.....	1,352,579		1,352,579	
State liquor tax.....	1,010,888		1,010,888	
State cigarette tax.....	77,147		77,147	
Use of money and investments.....	4,092,363	346,553	4,438,916	1,931,142
Other intergovernmental revenues.....	18,452,999		18,452,999	337,181
Other unrestricted revenues.....	4,154,743		4,154,743	4,001,691
Unrestricted contributions.....	3,866,178		3,866,178	7,738,999
Transfers.....	8,829,288	(8,829,288)	0	
Total general revenues and transfers	109,271,579	(8,482,735)	100,788,844	15,707,182
Change in net assets.....	7,729,602	(4,088,700)	3,640,902	23,257,418
Net assets - beginning.....	123,738,186	32,301,527	156,039,713	207,419,285
Net assets - ending.....	\$ 131,467,788	\$ 28,212,827	\$ 159,680,615	\$ 230,676,703

**BALANCE SHEET - ASSETS  
GOVERNMENTAL FUNDS**

**GENESEE COUNTY**

**Exhibit A-3-1**

	General	Mental Health	County Health
Cash and cash equivalents - Note C.....	\$ 3,794,488	\$ 16,092,036	\$ 2,070,641
Investments - Note C.....	775,747	8,693,049	423,323
Interest and accounts receivable.....	3,222,753	229,059	190,723
Due from other governmental units.....	3,207,142	1,463,211	1,982,761
Due from other county funds -- Note L.....	15,236,098	2,006	47,009
Supplies inventory.....			
Prepayments.....		728,850	4,564
Other assets.....			
Long-term advances to component unit.....	500,000		
<b>TOTAL ASSETS</b>	<b>\$ 26,736,228</b>	<b>\$ 27,208,211</b>	<b>\$ 4,719,021</b>

See notes to financial statements

September 30, 2004

Community Action Resource Department	Workforce Investment Act Program	Other Governmental Funds	Total Governmental Funds
		\$ 12,693,535	\$ 34,650,700
		14,758,088	24,650,207
		197,466	3,840,001
\$ 7,614,016	\$ 4,339,758	6,062,521	24,669,409
3		568,743	15,853,859
317,431		224,192	541,623
	386,695		1,120,109
53,894		55,333	109,227
			500,000
<u>\$ 7,985,344</u>	<u>\$ 4,726,453</u>	<u>\$ 34,559,878</u>	<u>\$ 105,935,135</u>

**BALANCE SHEET - LIABILITIES AND FUND EQUITIES  
GOVERNMENTAL FUNDS**

**GENESEE COUNTY**

**Exhibit A-3-2**

	General	Mental Health	County Health
Accounts payable.....	\$ 1,191,668	\$ 3,999,679	\$ 1,149,047
Accrued payroll.....	1,124,791		392,417
Other accrued liabilities and deposits.....	55,385	3,186,647	
Due to other governmental units.....	1,042,664	1,563,289	127,726
Due to other county funds -- Note L.....	4,326,868	47,009	372,318
Deferred revenue - Note H.....		2,644,494	51,482
<b>TOTAL LIABILITIES</b>	<b>7,741,376</b>	<b>11,441,118</b>	<b>2,092,990</b>
Fund equities:			
Fund balances (deficits) - Notes F and G:			
Reserved for:			
Long-term advances to component units.....	500,000		
Prepayments.....		728,850	
Programs and debt service.....			510,362
Unreserved:			
Designated for:			
Costs and settlements of contractual disallowance's, claims and litigation.....	2,500,000		
Programs and debt service.....		15,038,243	2,115,669
Special revenue programs and debt service.....			
Debt service programs and debt service.....			
Capital projects programs and debt service.....			
Undesignated.....	15,994,852		
<b>TOTAL EQUITIES AND OTHER CREDITS</b>	<b>18,994,852</b>	<b>15,767,093</b>	<b>2,626,031</b>
<b>TOTAL LIABILITIES, EQUITIES AND OTHER CREDITS</b>	<b>\$ 26,736,228</b>	<b>\$ 27,208,211</b>	<b>\$ 4,719,021</b>

See notes to financial statements

September 30, 2004

Community Action Resource Department	Workforce Investment Act Program	Other Governmental Funds	Total Governmental Funds
\$ 1,162,123	\$ 2,581,381	\$ 1,630,992	\$ 11,714,890
330,029		655,244	2,502,481
		2,430,097	5,672,129
7,929	43,782	902,357	3,687,747
5,131,054	2,097,961	2,230,677	14,205,887
101,791	3,329	217,948	3,019,044
<u>6,732,926</u>	<u>4,726,453</u>	<u>8,067,315</u>	<u>40,802,178</u>
			500,000
			728,850
461,447			971,809
			2,500,000
790,971			17,944,883
		10,023,525	10,023,525
		14,908,023	14,908,023
		1,561,015	1,561,015
			15,994,852
<u>1,252,418</u>	<u>0</u>	<u>26,492,563</u>	<u>65,132,957</u>
<u>\$ 7,985,344</u>	<u>\$ 4,726,453</u>	<u>\$ 34,559,878</u>	<u>\$ 105,935,135</u>

# RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS

GENESEE COUNTY

Exhibit A-3-3

Fiscal Year Ended September 30, 2004

Fund balances of governmental funds	\$ 65,132,957
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds	100,460,604
Net assets held in internal service funds are classified as held for governmental activities but are not reported in the funds. This amount is the net assets exclusive of capital assets and long term debt which are reported elsewhere in this reconciliation	4,784,882
Long term liabilities, including long term notes and bonds payable are not due in the current period, and therefore, are not reported in the funds.	<u>(38,910,655)</u>
Net assets of governmental activities	<u>\$ 131,467,788</u>

See notes to financial statements

**STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS**

**GENESEE COUNTY**

**Exhibit A-4**

	General	Mental Health
Revenues:		
Taxes--Note H.....	\$ 52,316,088	
Licenses and permits.....	387,376	
Fines and forfeitures.....	2,399,310	
Use of money and property.....	110,502	\$ 30,129
Federal grants--Note G.....	155,534	1,873,155
State grants--Note G.....		23,182,004
Other intergovernmental revenues.....	12,947,183	
Charges for services.....	10,682,351	73,266,927
Other.....	3,813,439	443,606
<b>TOTAL REVENUES</b>	<b>82,811,783</b>	<b>98,795,821</b>
Expenditures:		
Current operations:		
Legislative.....	924,581	
Management and planning.....	8,394,053	
Administration of justice.....	26,114,483	
Law enforcement and community protection.....	22,751,232	
Human services.....	1,548,412	94,427,580
Community enrichment and development.....	533,828	
General support services.....	199,860	
Other.....	10,142,961	
Capital outlay.....	215,846	115,162
Debt service:		
Principal payments.....	89,720	
Interest.....		
<b>TOTAL EXPENDITURES</b>	<b>70,914,976</b>	<b>94,542,742</b>
<b>REVENUES OVER(UNDER) EXPENDITURES</b>	<b>11,896,807</b>	<b>4,253,079</b>
Other financing sources (uses):		
Proceeds from notes.....		
Payment to refund bond escrow.....		
Transfers in (out):		
Transfers.....	(22,634,163)	2,571,093
Transfers-In.....	10,789,442	
Transfers-Out.....		
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>(11,844,721)</b>	<b>2,571,093</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>52,085</b>	<b>6,824,172</b>
Fund balance at beginning of year.....	18,942,767	8,942,921
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 18,994,852</b>	<b>\$ 15,767,093</b>

Fiscal Year Ended September 30, 2004

County Health	Community Action Resource Department	Workforce Investment Act Program	Other Governmental Funds	Total Governmental Funds
\$ 618,468			\$ 9,190,301	\$ 61,506,389
			129,484	1,135,328
			234,776	2,634,086
			4,656,323	4,796,954
1,670,163	\$ 25,159,974	\$ 20,654,267	9,008,678	58,521,771
11,833,583	2,096,670	1,082,834	12,150,144	50,345,235
32,021			1,866,212	14,845,416
920,025			3,693,325	88,562,628
4,256,037	3,600,031		3,693,516	15,806,629
19,330,297	30,856,675	21,737,101	44,622,759	298,154,436
				924,581
			2,154,804	10,548,857
			10,166,423	36,280,906
			9,443,703	32,194,935
24,637,153	30,989,922	21,737,101	19,592,159	192,932,327
			7,006,071	7,539,899
				199,860
			2,034,946	12,177,907
180,219	29,824		3,839,346	4,380,397
			3,337,528	3,427,248
			1,641,983	1,641,983
24,817,372	31,019,746	21,737,101	59,216,963	302,248,900
(5,487,075)	(163,071)	0	(14,594,204)	(4,094,464)
			7,645,000	7,645,000
			(6,362,420)	(6,362,420)
6,765,168	125,550		13,284,395	112,043
			6,988,991	17,778,433
(1,000,000)			(3,376,671)	(4,376,671)
5,765,168	125,550	0	18,179,295	14,796,385
278,093	(37,521)	0	3,585,091	10,701,920
2,347,938	1,289,939		22,907,472	54,431,037
\$ 2,626,031	\$ 1,252,418	\$ 0	\$ 26,492,563	\$ 65,132,957



# **RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

**GENESEE COUNTY**

**Exhibit A-5**

**Fiscal Year Ended September 30, 2004**

Net change in fund balances--total governmental funds	\$ 11,136,761
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, in the statement of activities the cost of assets is allocated over their useful lives and reported as depreciation expense. Details of the difference are:	
-Capital outlay	2,590,758
-Depreciation expense	(4,104,217)
-Additions and Deletions	(2,350,044)
The issuance of long-term debt provides current financial resources to the governmental funds. However, on the statement of net assets, debt proceeds are recorded as a liability when received and do not have any effect on net assets.	(7,645,000)
The payment of principal on long-term debt consumes current financial resources of the governmental funds. However, on the statement of net assets, repayment of principal are recorded as a reduction to long-term debt payable and do not have any effect on net assets	9,572,248
The activities of the internal service funds are considered part of governmental activities on the statement of changes in net assets but are not reported in the funds.	(1,470,904)
Change in net assets of governmental activities	<u>\$ 7,729,602</u>

See notes to financial statements

# BALANCE SHEET -- PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-6

	Business Type Activities -	
	Delinquent Taxes	Non-Major Parks and Recreation
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents.....	\$ 1,640,176	\$ 349,313
Investments.....	9,037,560	679,381
Current and delinquent property taxes receivable, less allowance for uncollectibles of \$506,327.....	21,039,226	
Interest and accounts receivable.....	3,807,858	
Due from other governmental units.....	2,538,232	
Due from other county funds.....	1,881,095	
Supplies inventory.....		
Prepayments.....		150,069
<b>TOTAL CURRENT ASSETS</b>	<b>39,944,147</b>	<b>1,178,763</b>
<b>CAPITAL ASSETS</b>		
Land.....	3,832,977	3,801,603
Buildings and improvements.....		1,172,352
Equipment.....	124,566	3,591,983
<b>TOTAL CAPITAL ASSETS</b>	<b>3,957,543</b>	<b>8,565,938</b>
Less allowances for depreciation.....	31,768	6,395,925
<b>TOTAL CAPITAL ASSETS, NET</b>	<b>3,925,775</b>	<b>2,170,013</b>
<b>TOTAL ASSETS</b>	<b>\$ 43,869,922</b>	<b>\$ 3,348,776</b>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable.....	\$ 216,329	\$ 23,155
Accrued payroll.....		26,122
Accrued vacation and other employee benefits.....		
Other accrued liabilities and deposits.....	640,728	11,588
Due to other governmental units.....	211,448	3,345
Due to other County funds.....	2,821,591	3,904
Current portion of notes/bonds payable.....	14,617,000	145,500
<b>TOTAL CURRENT LIABILITIES</b>	<b>18,507,096</b>	<b>213,614</b>
<b>LONG-TERM DEBT</b>		
General and workers compensation claim Liability.....		
Notes/bonds payable exclusive of current portion.....		463,500
<b>TOTAL LONG-TERM DEBT</b>	<b>0</b>	<b>463,500</b>
<b>NET ASSETS:</b>		
Restricted for retirement of delinquent tax notes payable.....	7,363,745	
Invested in capital assets net of related debt.....	3,925,775	2,240,394
Unrestricted.....	14,073,306	431,268
<b>TOTAL NET ASSETS</b>	<b>25,362,826</b>	<b>2,671,662</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 43,869,922</b>	<b>\$ 3,348,776</b>

See notes to financial statements

September 30, 2004		Governmental Activities- Internal	
Enterprise Funds		Service Funds	
Non-Major Commissary	Total		
\$ 138,941	\$ 2,128,430	\$ 63,091	
28,405	9,745,346	11,045,228	
	21,039,226		
	3,807,858	20,415	
	2,538,232	24,761	
	1,881,095	4,761,760	
14,424	14,424	58,946	
	150,069	361,894	
181,770	41,304,680	16,336,095	
	7,634,580	131,033	
	1,172,352	176,430	
	3,716,549	25,556,889	
0	12,523,481	25,864,352	
	6,427,693	17,762,263	
0	6,095,788	8,102,089	
\$ 181,770	\$ 47,400,468	\$ 24,438,184	
	\$ 239,484	\$ 364,057	
	26,122	179,067	
		5,648,466	
\$ 3,431	655,747	792	
	214,793		
	2,825,495	5,220,723	
	14,762,500	323,838	
3,431	18,724,141	11,736,943	
		2,573,335	
	463,500	423,593	
0	463,500	2,996,928	
	7,363,745		
	6,166,169	2,109,466	
178,339	14,682,913	7,594,847	
178,339	28,212,827	9,704,313	
\$ 181,770	\$ 47,400,468	\$ 24,438,184	

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
FUND NET ASSETS -- PROPRIETARY FUNDS**

**GENESEE COUNTY**

**Exhibit A-7**

	Business Type Activities -	
	Delinquent Taxes	Non-Major Parks and Recreation
Operating revenues:		
Charges for sales and services:		
Ticket, permit & concession sales.....		\$ 413,848
Taxes.....	\$ 9,632,038	
State revenue.....		
TOTAL OPERATING REVENUES	9,632,038	413,848
Operating expenses:		
Salaries and fringe benefits.....	614,757	910,177
Supplies and other operating expenses.....	3,565,397	428,611
Depreciation.....	18,539	139,416
TOTAL OPERATING EXPENSES	4,198,693	1,478,204
OPERATING INCOME(LOSS)	5,433,345	(1,064,356)
	0	
Non-operating revenues (expenses):		
Investment earnings.....	191,273	206,737
Interest expense.....	(140,477)	(32,065)
Gain (loss) on sale of property and equipment.....		(11,226)
TOTAL NON-OPERATING REVENUES (EXPENSES)	50,796	163,446
INCOME (LOSS) BEFORE TRANSFERS	5,484,141	(900,910)
Transfers.....		
Transfers-in.....	125,962	860,000
Transfers-out.....	(9,781,380)	
TOTAL TRANSFERS	(9,655,418)	860,000
CHANGE IN NET ASSETS	(4,171,277)	(40,910)
Net assets at beginning of year.....	29,534,103	2,712,572
NET ASSETS AT END OF YEAR	\$ 25,362,826	\$ 2,671,662

See notes to financial statements

al Year Ended September 30, 2004

Enterprise Funds		Governmental
Non-Major Commissary	Total	Activities- Internal Service Funds
\$ 458,052	\$ 871,900	\$ 20,023,003
	9,632,038	
<u>458,052</u>	<u>10,503,938</u>	<u>20,023,003</u>
	1,524,934	6,977,752
260,464	4,254,472	9,959,510
	157,955	1,167,015
<u>260,464</u>	<u>5,937,361</u>	<u>18,104,277</u>
<u>197,588</u>	<u>4,566,577</u>	<u>1,918,726</u>
(231)	397,779	609,686
	(172,542)	0
(40,000)	(51,226)	0
<u>(40,231)</u>	<u>174,011</u>	<u>609,686</u>
<u>157,357</u>	<u>4,740,588</u>	<u>2,528,412</u>
	985,962	73,091
(33,870)	(9,815,250)	906,919
<u>(33,870)</u>	<u>(8,829,288)</u>	<u>(4,979,326)</u>
123,487	(4,088,700)	(3,999,316)
		(1,470,904)
54,852	32,301,527	11,175,217
<u>\$ 178,339</u>	<u>\$ 28,212,827</u>	<u>\$ 9,704,313</u>

# STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS

GENESEE COUNTY

Exhibit A-8

	Business Type Activities -	
	Delinquent Taxes	Non-Major Parks and Recreation
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers.....	\$ 10,271,918	\$ 413,779
Cash payments to suppliers for goods and services.....	(4,010,951)	(435,252)
Cash payments to employees for services.....		(906,311)
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	<u>6,260,967</u>	<u>(927,784)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Borrowing under delinquent tax notes payable.....	28,000,000	
Repayments under delinquent tax notes payable.....	(27,896,000)	
Interest paid on delinquent tax notes payable.....	(154,083)	
Advances from other governmental units, County units and funds.....		3,570
Repayments to other governmental units, County units and funds.....	(2,493,682)	
Transfers-in from other funds.....	125,962	860,000
Transfers-out to other funds.....	(9,781,380)	
NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES	<u>(12,199,183)</u>	<u>863,570</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets.....		139,305
Proceeds from equipment notes.....		(157,000)
Principal paid on long-term debt.....		(35,103)
Interest paid on long-term debt.....		
Proceeds from sale of equipment.....		
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>0</u>	<u>(52,798)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investment securities.....	(164,022,959)	(179,634)
Proceeds from sale and maturities of investment securities.....	170,200,000	
Interest and dividends on investments.....	191,273	34,395
NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES	<u>6,368,314</u>	<u>(145,239)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>430,098</u>	<u>(262,251)</u>
Cash and cash equivalents at beginning of year.....	1,210,073	611,564
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,640,171</u>	<u>\$ 349,313</u>
<b>RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Operating income(loss).....	\$ 5,433,345	\$ (1,064,356)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:		
Depreciation.....		139,416
Provision for uncollectible accounts.....	(16,625)	
Change in assets and liabilities:		
(Increase) decrease in current and delinquent property taxes receivable.....	707,759	
(Increase) decrease in interest and accounts receivable.....	(51,254)	
(Increase) decrease in supplies inventory.....		
(Increase) decrease in prepayment and other current assets.....		(69)
Increase (decrease) in accounts payable and related items.....	187,742	(6,641)
Increase (decrease) in accrued payroll.....		3,866
Increase (decrease) in other accrued liabilities and deposits.....		
Net cash provided by (used for) operating activities.....	<u>\$ 6,260,967</u>	<u>\$ (927,784)</u>
Noncash investing activities - decrease in fair value of investments.....		
See notes to financial statements		

**Fiscal Year Ended September 30, 2004**  
Enterprise Funds

**Governmental  
Activities-  
Internal**

<b>Non-Major Commissary</b>	<b>Total</b>	<b>Service Funds</b>
\$ 418,052	\$ 11,103,749	\$ 20,007,221
(257,055)	(4,703,258)	(9,914,129)
	(906,311)	(7,268,235)
<u>160,997</u>	<u>5,494,180</u>	<u>2,824,857</u>
	28,000,000	(822,774)
	(27,896,000)	381,622
	(154,083)	
(128,430)	(124,860)	
	(2,493,682)	
	985,962	5,956,001
<u>(33,870)</u>	<u>(9,815,250)</u>	<u>(8,244,300)</u>
<u>(162,300)</u>	<u>(11,497,913)</u>	<u>(2,729,451)</u>
	139,305	0
	0	(834,006)
	(157,000)	(420,932)
	(35,103)	0
	0	0
<u>0</u>	<u>(52,798)</u>	<u>(1,254,938)</u>
	(164,202,588)	(5,828,553)
	170,200,000	6,456,298
(12,978)	212,690	355,268
<u>(12,978)</u>	<u>6,210,102</u>	<u>983,013</u>
(14,281)	153,571	(176,519)
153,222	1,974,859	239,610
<u>\$ 138,941</u>	<u>\$ 2,128,430</u>	<u>\$ 63,091</u>
\$ 197,588	\$ 4,566,577	1,918,726
	139,416	1,167,015
	(16,625)	
	707,759	
	(51,254)	22,360
3,409	3,409	7,924
(40,000)	(40,069)	24,217
	181,101	(81,971)
	3,866	(290,484)
	0	95,211
<u>\$ 160,997</u>	<u>\$ 5,494,180</u>	<u>\$ 2,862,998</u>

0

**GENESEE COUNTY EMPLOYEES' FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS**

**GENESEE COUNTY**

**Exhibit A-9**

	September 30, 2004	
	Total Pension and Employee Benefit Trust Fund	Agency Trust and Agency
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 37,444,238	\$ 18,561,230
Receivables:		
Other receivables.....	9,848	334,934
Accrued interest and dividends.....	1,563,027	
Due from other county funds.....		253,369
<b>TOTAL RECEIVABLES</b>	<b>39,017,113</b>	<b>19,149,533</b>
Investments at fair value:		
U.S. Government securities.....	51,064,833	
Foreign Govts. and Agencies.....	35,629,522	
Corporate bonds.....	54,201,583	
Common stocks.....	215,805,350	
Preferred stocks.....	14,943,842	
Mutual funds.....	12,241,701	
Real Estate.....	7,857,337	
<b>TOTAL INVESTMENTS</b>	<b>391,744,168</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>430,761,281</b>	<b>19,149,533</b>
<b>LIABILITIES</b>		
Refunds payable and other liabilities.....	1,107,062	18,657,544
Accrued expenses.....	7,582	
Due to other County funds.....		491,989
<b>TOTAL LIABILITIES</b>	<b>1,114,644</b>	<b>19,149,533</b>
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes.....	<u>\$ 429,646,637</u>	<u>\$ 0</u>

See notes to financial statements



**GENESEE COUNTY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

**GENESEE COUNTY**

**Exhibit A-10**

	September 30, 2004
	Total Pension and Employee Benefit Trust Fund
<b>ADDITIONS</b>	
Contributions:	
Employer.....	\$ 7,025,512
Plan members.....	2,263,639
Total contributions.....	9,289,151
Investment earnings:	
Net (decrease)	
in fair value of investments.....	68,174,647
Interest.....	7,097,930
Dividends.....	3,006,774
Total investment earnings.....	78,279,351
Less investment expense.....	1,819,722
Net investment earnings.....	76,459,629
Total additions.....	85,748,780
<b>DEDUCTIONS</b>	
Benefits.....	25,043,408
Refunds of contributions.....	300,685
Administrative expenses.....	377,858
Transfer to other funds.....	500,000
Transfer to other pensions plans.....	1,183,757
Total deductions.....	27,405,708
Change in net assets.....	58,343,072
Net assets-beginning of the year.....	371,303,565
Net assets- end of the year.....	\$ 429,646,637

See notes to financial statements

**STATEMENT OF NET ASSETS  
COMPONENT UNITS**

**GENESEE COUNTY**

**Exhibit A-11**

	<b>Road Commission 9/30/04</b>	<b>Water and Waste Services 12/31/03</b>
<b>ASSETS</b>		
Cash and cash equivalents.....	\$ 42,801,147	\$ 12,956,659
Special Assessments and Lease Receivable.....	4,008,918	48,350,000
Interest and accounts receivable.....	343,862	3,225,227
Due from other governmental units.....	6,774,801	1,777,733
Inventory.....	1,102,027	5,860
Prepayments.....	14,485	
Restricted Assets:		
Cash and cash equivalents.....	708,643	38,922,426
Construction in progress.....		667,181
Capital assets net of depreciation.....	46,755,777	126,564,293
<b>TOTAL ASSETS</b>	<b>102,509,660</b>	<b>232,469,379</b>
<b>LIABILITIES</b>		
Accounts payable.....	1,313,255	3,169,139
Accrued Payroll.....		
Other accrued liabilities and deposits.....	348,158	
Due to other governmental units.....	528,053	16,540
Unreserved revenue.....		3,374,373
Payable from Restricted Assets:		
Accounts Payable.....	708,643	2,523,766
Long-term advance from Primary Government.....		
Current portion debt.....	1,885,000	10,260,000
Long-term Debt.....	3,131,814	89,905,000
<b>TOTAL LIABILITIES</b>	<b>7,914,923</b>	<b>109,248,818</b>
<b>NET ASSETS</b>		
Invested in capital assets - Net of related debt.....	41,738,963	96,372,334
Restricted for programs and debt service.....	52,875,774	11,301,927
Unrestricted.....		15,546,300
<b>TOTAL NET ASSETS</b>	<b>\$ 94,614,737</b>	<b>\$ 123,220,561</b>

See notes to financial statements

Economic Development Corporation 12/31/03	Drains 9/30/04	Total
\$ 793,675	\$ 2,622,454	\$ 59,173,935
	3,356,383	55,715,301
655,630		4,224,719
		8,552,534
	37,535	1,145,422
		14,485
		39,631,069
		667,181
	8,294,891	181,614,961
<u>1,449,305</u>	<u>14,311,263</u>	<u>350,739,607</u>
1,419	151,050	4,634,863
	12,967	12,967
	73,339	421,497
		544,593
		3,374,373
	6,680	3,239,089
	500,000	500,000
		12,145,000
	2,173,708	95,210,522
<u>1,419</u>	<u>2,917,744</u>	<u>120,082,904</u>
	6,121,183	144,232,480
1,447,886	721,547	66,347,134
	4,550,789	20,097,089
<u>\$ 1,447,886</u>	<u>\$ 11,393,519</u>	<u>\$ 230,676,703</u>

**STATEMENT OF ACTIVITIES  
COMPONENT UNITS**

**GENESEE COUNTY**

**Exhibit A-12**

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Component units:			
Drains.....	\$ 2,728,497	\$ 889,680	
Economic Development Corporation.....	324,335	6,660	
Road Commission.....	24,443,868	5,646,564	\$ 27,608,441
Water and Waste.....	28,605,034	29,500,625	
Total Component Units	<u>\$ 56,101,734</u>	<u>\$ 36,043,529</u>	<u>\$ 27,608,441</u>
Revenues:			
Taxes.....			
Unrestricted contributions.....			
Use of money and investments.....			
Other intergovernmental revenues.....			
Other unrestricted revenues.....			
Total general revenues and transfers			
Change in net assets.....			
Net assets - beginning.....			
Net assets - ending.....			

See notes to financial statements

Net (Expense) Revenue and Changes in Net Assets				
Component Units				
Drains 9/30/04	Economic Development Corporation 12/31/03	Road Commission 9/30/04	Water and Waste 12/31/03	Total
(1,838,817)	\$ (317,675)	\$ 8,811,137		\$ (1,838,817)
				(317,675)
			\$ 895,591	8,811,137
				895,591
(1,838,817)	(317,675)	8,811,137	895,591	7,550,236
1,698,169				1,698,169
3,611,640		4,127,359		7,738,999
4,918	51,855	1,329,949	544,420	1,931,142
77,181		260,000		337,181
		7,924	3,993,767	4,001,691
5,391,908	51,855	5,725,232	4,538,187	15,707,182
3,553,091	(265,820)	14,536,369	5,433,778	23,257,418
7,840,428	1,713,706	80,078,368	117,786,783	207,419,285
11,393,519	\$ 1,447,886	\$ 94,614,737	\$ 123,220,561	\$ 230,676,703

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## Exhibit A-13

### NOTE A – DESCRIPTION OF COUNTY OPERATIONS, REPORTING ENTITY, AND FUND TYPES

The County of Genesee, Michigan was incorporated on March 18, 1835 and covers an area of approximately 642 square miles with the county seat located in the City of Flint. The County operates under an elected Board of Commissioners (9 members) and provides services to its more than 436,000 residents in many areas including law enforcement, administration of justice, community enrichment and development, and human services. Education services are provided to citizens through more than 184 schools in 21 local school districts, 5 colleges, and a district library; such districts, colleges, and library are separate governmental entities whose financial statements are not included herein, in accordance with The Governmental Accounting Standards Board Codification Section 2100.

As required by generally accepted accounting principles, these financial statements represent Genesee County (the primary government) and its component units. The component units discussed below are included in the County's reporting entity because of the significance of their operational or financial relationships with the County.

#### Blended Component Units:

Genesee County Building Authority - Legally separate entity established for the sole purpose of issuing bonded debt to finance construction of County buildings. The entire Building Authority is appointed by the County Board of Commissioners.

Genesee County Employees Retirement System - Legally separate entity established to account for employee and employer contributions, investment income, accumulated assets and payments to beneficiaries. The Pension board has five ex-officio Commissioners due to their positions held in the county and four elected employee Commissioners, with services provided almost exclusively for the County and its employees. The Retirement System has a calendar fiscal year end. It was determined by the County that it would be extremely impractical for the Retirement System to change to a September 30<sup>th</sup>, fiscal year end.

Land Reutilization Council, Inc. - Legally separate entity established to account for real property obtained via property tax foreclosure procedures. The Council is appointed by the County Board of Commissioners.

#### Discretely Presented Component Units:

Genesee County Road Commission - An entity responsible for constructing and maintaining the primary and local road system within the County. Its three-member board is appointed by the County Board. The County Board can significantly influence the operations of the Road Commission Board.

Water and Waste Services- An entity established by the County pursuant to State law to provide for water and waste management services. The County appoints the lone board member/member-director and has the ability to remove the manager-director if they so choose. Water and Waste Services has a calendar year. The County has determined that it would be impractical for Water and Waste Services to change to a September 30<sup>th</sup>, fiscal year end.

Economic Development Corporation - An entity responsible for the administration of the Revolving Loan Program. This loan program makes low interest loans available to businesses located within Genesee County. The Board of the Economic Development Corporation (EDC) is appointed by the Board of Commissioners. The Board of Commissioners can remove Board members of the EDC if they so choose. The Corporation has a calendar year end. The County has determined that it would be impractical for the EDC to change to a September 30, fiscal year end.

Drains - These separate legal entities represent drainage districts established pursuant to Act 40, P.A. 1956, as amended, the Michigan Drain Code. The oversight of these districts is the responsibility of the Genesee County Drain Commissioner, an elected position that is funded by Genesee County. The County lends its full faith and credit towards payment of the Special Assessment bonds issued for the projects.

Complete financial statements of the individual component units can be obtained from their respective administrative offices.

### NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**Government-wide and fund financial statements:** The County is following GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments*. This standard requires government-wide and fund financial statements. The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, fiduciary funds, and the component units even though the fiduciary fund statements are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting and financial statement presentation:** The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Revenues, which are considered measurable, but not available, are recorded as a receivable and deferred revenue. Revenues for 2004 include property taxes levied principally on December 1, 2003 and substantially collected in early 2004. The "2004 property taxes" assessed on December 31, 2003, become a lien on December 1, 2004, and are to be collected principally in February, 2005. Other significant revenue susceptible to accrual include expenditure reimbursement type grants, certain inter-governmental revenues and operating transfers.

The government reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Mental Health Fund accounts for the operations of the County's Mental Health services.

The County Health Fund accounts for the operations of providing health protection and health services.

The Community Action Resource Department Fund accounts for the programs designed to provide health and human services to low income individuals.

The Workforce Investment Act Program Fund accounts for federally funded grant programs to provide job training to eligible individuals.

The government reports the following major proprietary funds:

The Delinquent Tax Revolving Enterprise Fund accounts for the activities of the delinquent real property tax purchase program whereby the County purchases the outstanding taxes from each local taxing unit. The County, in turn collects those delinquent taxes along with penalties and interest.

The government reports the following fiduciary funds:

The Retirement Fund accounts for employee and employer pension contributions, investment income, accumulated assets, and payments to beneficiaries.

The Unemployment Benefits Fund accounts for unemployment benefits withheld from County funds and the distribution of the necessary portion to the Unemployment Agency of Michigan.

The Trust and Agency Fund accounts for assets held by the County as an agent for individuals, private organizations, other governments, and other funds.

Additionally, the government reports the following fund types:

Internal service funds accounts for various services such as data processing, purchasing, and other administrative services, fleet management, buildings and grounds maintenance, and the self funded property/casualty program. These services are provided to other County departments on a cost reimbursement basis.

Agency Funds account for assets held by the County in an agency capacity.

Private-sector standards of accounting issued prior to December 1, 1989, generally are followed in both the government-side and proprietary fund financial statements to the extent that those standards do not conflict with guidance of the Governmental Accounting Standards Board. The County has elected not to follow private-sector guidance issued after November 30, 1989 for its business-type activities.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of our proprietary funds relate to charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## Exhibit A-13

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support Genesee County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Employee Vacation:** County employees are granted vacation in varying amounts based on length of service. Vacation pay is accrued and fully vested when earned; upon termination, with a few bargaining unit exceptions, employees are paid accumulated vacation at full rates to a limit of 150% of their current annual earned vacation.

**Long-Term Advances:** Long-term advances from the General Fund to other funds are commonly made to finance new activities during their initial operations. General Fund fund balance is reserved for such advances to reflect the amount of fund balance not currently available for expenditure.

**Budgets and Budgetary Accounting:** Budgets shown in the financial statements were prepared on the same modified accrual basis used to reflect actual results. The County employs the following procedures in establishing the budgetary data reflected in the financial statements:

- 1) Prior to July 1, County departments, in conjunction with the Controller's Office, prepare and submit their proposed operating budgets for the fiscal year commencing October 1. The operating budget includes proposed expenditures and resources to finance them,
- 2) A Public Hearing is conducted to obtain taxpayer's comments,
- 3) Prior to September 30, the budget is legally enacted through passage of a resolution,
- 4) After the budget is adopted, the Finance Committee of the Board of Commissioners is authorized to transfer budgeted amounts between accounts within a department. However, any revisions that alter the total expenditures of a department or fund must be approved by the Board of Commissioners,
- 5) Formal budgetary integration is employed as a management control device during the year for the General Fund and the Special Revenue Funds. Formal budgetary integration is not employed for other governmental type funds as effective management control is achieved through alternative procedures.
- 6) Budgets for the General, and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Board of Commissioners during the year. Individual amendments were not material in relation to the original appropriations, which were amended. Appropriations unused at September 30 are not carried forward to the following year. The budgets for the General, and Special Revenue Funds are adopted at the departmental level, and total fund level, respectively.

**Cash and Cash Equivalents:** The County considers cash equivalents as short-term highly liquid investments that are both readily convertible to cash and have maturities of ninety days or less when purchased to minimize the risk of changes in value due to interest rate changes.

**Investments:** Investments are stated at fair values. Fair value is determined based on quoted market prices except for money market funds, which are valued at amortized cost. Unrealized appreciation or depreciation on investments due to changes in market value are recognized in Fund operations each year.

**Inventories:** Inventories are stated at cost on a first-in, first-out basis for governmental funds and the lower of cost on a first-in, first-out basis or market for proprietary funds. The cost of inventory items in governmental funds is recorded as an expenditure at the time of purchase, except for the County Road Commission, certain Special Revenue Funds, and the Water and Waste Services component unit where inventories are expensed when used.

**Encumbrances:** Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. There were no encumbrances at the end of the year since there were no outstanding amounts due on contracts or other commitments for the current year and the small number of purchase orders that were outstanding at the end of the year were canceled and reissued in the subsequent year.

**Capital Assets:** Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business type activities is included as part of the capitalized value of the assets constructed. During the current year, no interest expense was capitalized as part of the cost of assets under construction.

Capital assets are depreciated using the straight-line method over the estimated useful lives of the related assets. The estimated useful lives are:

Land Improvements .....	10 years
Buildings and Improvements .....	25-50 years
Equipment .....	3-20 years
Infrastructure .....	20-50 years



**Long Term Obligations:** In the government-wide financial statements, and proprietary fund types in the fund financial statements, long term debt and other long term obligations are reported as liabilities in the applicable governmental activities, business type activities or proprietary fund type statement of net asset. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses. Issuance costs are reported as debt service expenditures.

**Fund Equity:** In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

#### NOTE C - CASH AND CASH EQUIVALENTS AND INVESTMENTS

The County's deposits are pooled for investment purposes, but investments are specifically identified by fund. Cash and Cash Equivalents are pooled, with cash equivalents allocated according to cash balances. In addition, cash and investments are separately held by several of the County's funds. The deposits and investments of the pension trust fund and the Water and Waste Services deferred compensation and operating funds are held separately from those of other County funds.

**Deposits** - At year end the carrying amount of the County's deposits was \$70,965,423 and the bank balance was \$74,827,503. Of the bank balance, \$700,000 was covered by federal depository insurance and \$74,127,503 was neither insured nor collateralized. The County's deposits included \$42,311,900 of Certificates of Deposits, of those certificates \$39,311,900 had a maturity of less than ninety days and the remaining amount had a maturity date of greater than 90 days.

The County uses an independent rating firm to rate both depository banks and those with which are placed certificates of deposit. Certificates of deposits over \$100,000 are placed only with major banks. The financial position of lesser rated banks are reviewed quarterly with higher rated and major banks reviewed annually by the County staff.

At year end, the County's deposits and investments are reported in the basic financial statements in the following categories:

	Governmental Activities	Business Type Activities	Internal Service Funds	Fiduciary Funds	Total Primary Government
Cash and Cash Equivalents	\$34,650,700	\$ 2,128,430	\$ 63,091	\$ 56,005,468	\$ 95,502,422
Investments	<u>24,650,207</u>	<u>9,745,346</u>	<u>11,045,228</u>	<u>391,744,168</u>	<u>434,530,216</u>
	<u>\$59,300,907</u>	<u>\$11,873,776</u>	<u>\$11,108,319</u>	<u>\$447,749,636</u>	<u>\$530,032,638</u>
			Bank Deposits		\$ 70,965,423
			Investments		<u>459,067,215</u>
					<u>\$530,032,638</u>

**Investments** - Statutes authorize the County to invest in obligations of the U.S. Treasury, agencies and instrumentality's commercial paper rated A-2 by Standard & Poor's Corporation or P-2 by Moody's Commercial Paper Record, bankers acceptances, repurchase agreements and reverse repurchase agreements. The pension trust fund is also authorized to invest in corporate stocks, corporate bonds, diversified investment companies, annuity investment contracts and certain real estate or mortgages.

The County's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the County or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department, or its agent, in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or its trust department, or by its agent but not in the County's name. Detailed on the following pages is the categorization of investments by risk:

	1	2	3	Carrying Amount	Fair Value
U.S. govt. securities.....	\$ 88,921,605	\$ 9,925,000		\$ 98,846,605	\$ 98,846,605
Commercial paper .....		170,000		170,000	170,000
Corporate bonds .....	57,547,481			57,547,481	57,547,481
Common Stock .....	<u>234,400,248</u>		<u>\$12,241,701</u>	<u>246,641,949</u>	<u>246,641,949</u>
	<u>\$ 380,869,333</u>	<u>\$10,095,000</u>	<u>\$12,241,701</u>	403,206,034	403,206,034
U.S. Government Security Pooled Fund .....				48,003,844	48,003,844
Real Estate .....				<u>7,857,337</u>	<u>7,857,337</u>
			TOTAL INVESTMENTS	<u>\$459,067,215</u>	<u>\$459,067,215</u>

The carrying amounts for U.S. government securities and commercial paper approximates market with any accrued interest reflected in "Interest and accounts receivable" on the balance sheet.

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## Exhibit A-13

The pension trust fund owns 98 percent of investments that are in category 1 and 100 percent of investments in category 3. The pension trust fund maintains approximately 100 percent of its investments in a street account of a nominee for Depository Trust Corporation. Many of the transactions are book entry which allows for quicker recording of transactions and reduces delivery cost of securities.

The percent of A-2/P-2 commercial paper held at year-end was approximately 5.3 percent of the County's total investments. Although the County is authorized to invest in reverse repurchase agreements, the County has not chosen to do so.

### NOTE D-CAPITAL ASSETS

Capital asset activity at September 30, 2004 is summarized as follows:

	Balance Oct. 1, 2003	Additions	Disposals	Balance Sept. 30, 2004
<b>Governmental activities:</b>				
Capital assets not being depreciated				
Land .....	\$ 18,701,687	\$ 1,138,452	\$	\$19,840,139
Construction in Progress .....	22,985,951	168,916	22,985,951	168,916
Subtotal .....	41,687,638	1,307,368	22,985,951	20,009,055
Capital assets being depreciated:				
Buildings and improvements .....	78,575,937	27,151,855	44,615	105,683,177
Machinery and equipment .....	44,210,889	2,509,584	6,782,051	39,938,422
Subtotal .....	122,786,826	29,661,439	6,826,666	145,621,599
Less accumulated depreciation for:				
Buildings .....	28,976,474	3,440,329		32,416,803
Machinery and equipment .....	30,922,334	1,838,910	7,997	32,753,247
Subtotal .....	59,898,808	5,279,239	7,997	65,170,050
Governmental activities				
Capital assets, net of depreciation .....	\$104,575,656	\$25,689,568	\$29,804,620	\$100,460,604
<b>Business type activities:</b>				
Capital assets not being depreciated:				
Land .....	\$4,372,443	\$ 0	\$ 0	\$4,372,443
Capital assets being depreciated:				
Buildings .....	1,172,352			1,172,352
Land improvements .....	3,074,493	187,644		3,262,137
Machinery and equipment .....	3,658,129	58,420		3,716,549
Subtotal .....	7,904,974	246,064	0	8,151,038
Less accumulated depreciation for:				
Buildings .....	683,328	36,804		720,132
Land improvements .....	2,817,029	60,580		2,877,609
Machinery and equipment .....	2,811,415	18,537		2,829,952
Subtotal .....	6,311,772	115,921	0	6,427,693
Business type activities				
Capital assets, net of depreciation .....	\$5,965,645	\$130,143	\$ 0	\$6,095,788

Depreciation expense was charged to programs of the primary government as follows:

<b>Governmental activities:</b>	
Legislative .....	\$ 0
Administration of Justice .....	377,916
Law Enforcement and Community Protection .....	1,535,098
Human Services .....	365,285
Community Enrichment and Development .....	522,910
General Support Services .....	1,301,435
Other .....	1,584
Internal service fund depreciation is charged to the various functions based on their usage of the assets..	1,175,011
Total governmental activities .....	\$5,279,239
<b>Business type activities:</b>	
Parks and Recreation .....	\$ 115,921

In addition, land with an approximate value of \$5,000,000 used by Parks and Recreation is leased at nominal costs from the Nature Conservatory and the City of Flint under long-term arrangements.

**NOTE E – LONG-TERM DEBT (including current portions)**

Long-term debt of the County is as follows:

	Balance Oct. 1, 2003	Additions (Reductions)	Balance Sept 20, 2004	Due within One Year
<b>Business Type Activities</b>				
Parks and Recreation Fund:				
6.1% to 9.0% Genesee County Building Authority Bonds, Series 1995, Callable after May 1, 2004, at par plus a premium of .5% to 1.0% .....	\$ 25,000	(25,000)	0	
3.7% to 5.0% Genesee County Building Authority Bonds, Series 1999, Callable after May 1, 2008, at par plus accrued interest to date .....	741,000	(132,000)	609,000	145,500
	<u>766,000</u>	<u>(157,000)</u>	<u>609,000</u>	<u>145,500</u>
Delinquent Tax Fund:				
5.0% to 9.7% Delinquent tax notes.....	14,513,000	28,000,000	14,617,000	14,617,000
		<u>(27,896,000)</u>	<u>14,617,000</u>	<u>14,617,000</u>
<b>Total Business Type Activities</b>	<u>15,279,000</u>	<u>(53,000)</u>	<u>15,226,000</u>	<u>14,762,500</u>
<b>Government Activities:</b>				
Internal Service Fund Equipment Notes.....	1,141,091	(393,659)	747,432	360,735
4.0% to 5.1% Genesee County Building Authority Bonds, Series 2002, Bonds maturing May 1, 2013 subject to Mandatory redemption .....	2,700,000	(90,000)	2,610,000	95,000
2.5% to 4.05% Genesee County Building Authority Bonds, Series 2001, Not subject to redemption prior to maturity .....	1,835,000	(170,000)	1,665,000	180,000
2.0% to 4.0% Genesee County Building Authority Bonds, Series 2004, Not subject to redemption prior to maturity .....	0	6,145,000	6,145,000	940,000
2.4% to 4.6% Genesee County Building Authority Bonds Series 1994-B Refunding Bonds, Not subject to Redemption prior to maturity.....	795,000	(795,000)	0	0
2.5% to 5% Genesee County Building Authority Bonds, Series 1994-D Refunding bonds, Callable after May 1, 2004 at par plus a premium of .5% to 1.0%.....	7,040,000	(7,040,000)	0	0
3.7% to 5.0% Genesee County Building Authority Bonds, Series 2000, Callable after May 1, 2008, .....	1,729,000	(308,000)	1,421,000	339,500
3.4% to 5.1% Genesee County Building Authority Bonds, Series 1999, Bonds maturing May 1, 2019 subject to Mandatory redemption .....	18,395,000	(805,000)	17,590,000	835,000
4.0% to 4.75% Genesee County Building Authority Bonds, Series 2002-B, Bonds maturing after May 1, 2013, are Subject to redemption prior to maturity .....	4,700,000	(145,000)	4,555,000	155,000
<b>LRC:</b>				
Variable rate Capital Improvement Bonds, Series 2004 A Subject to redemption on any Interest payment date .....	0	1,500,000	1,500,000	0
<b>G.M. Tax Settlement-Grand Blanc Township Property</b> .....	<u>207,776</u>	<u>(103,888)</u>	<u>103,888</u>	<u>103,888</u>
<b>Total Bonds and Notes</b> .....	<u>38,542,867</u>	<u>(2,205,547)</u>	<u>36,337,320</u>	<u>3,009,123</u>
Compensated Absences.....	5,944,063	(295,597)	5,648,466	3,263,742
Self-Insurance Claim Liability .....	2,478,124	95,211	2,573,335	1,000,000
<b>Total Governmental Activities</b> .....	<u>46,965,054</u>	<u>(2,405,933)</u>	<u>44,559,121</u>	<u>4,263,742</u>
<b>Total Long Term Debt</b> .....	<u>\$62,244,054</u>	<u>\$(2,458,933)</u>	<u>\$59,785,121</u>	<u>\$22,035,365</u>

The General Motors property tax appeal settlement for the Grand Blanc Township property was \$934,992 with nine annual installments which began in 1997. Pre-settlement and post-settlement interest was waived for this settlement. It is the intent of the County to budget for the annual installment which totals \$103,888 out of current operations.

The 2004 Delinquent Tax Notes were issued in the form of a short-term financing investment much like commercial paper. This short-term financing instrument allows the County to obtain a more favorable taxable interest rate. The short-term Delinquent Tax Notes in the amount of \$14,617,000 are classified as a current liability since they roll over on a short-term basis.

During 2004 the Genesee County Building Authority Bonds – series 1994-D refunding bonds were refunded via the issuance of the Series 2004 bonds. All proceeds were transferred to a bond escrow agent and as a result, the Series 1994-D bonds were defeased and removed as a liability from the County's financial statements.

Genesee County lends its full faith and credit for bond issues that are repaid through special assessments. The County is not obligated in any manner for special assessment debt. The amount of special assessment debt is detailed within the notes for the Component Unit under which the projects originated.

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## Exhibit A-13

Delinquent property taxes receivable are pledged as collateral for the repayment of the outstanding delinquent tax notes – (See Note H).

Typically, the General Fund and all Special Revenue Funds liquidate liability for compensated absences.

The annual requirements to pay principal and interest on the obligations outstanding at September 30, 2004 are as follows:

	<u>Governmental Activities</u>		<u>Business Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2004/2005 .....	\$ 4,509,123	\$ 1,543,287	\$13,262,500	\$ 54,785
2005/2006 .....	2,791,120	1,426,230	156,000	48,457
2006/2007 .....	2,619,732	1,330,638	54,000	41,593
2007/2008 .....	2,689,120	1,220,874	1,536,000	39,190
2008/2009 .....	2,686,725	1,109,380	39,000	10,576
2010/2014 .....	9,649,500	4,120,344	160,500	26,405
2015/2019 .....	9,637,000	1,935,044	18,000	900
2020/2024 .....	1,755,000	171,525	0	0
TOTALS .....	<u>\$36,337,320</u>	<u>\$12,857,322</u>	<u>\$15,226,000</u>	<u>\$221,006</u>

By statute, the County general obligation debt is restricted to 10% of the equalized value of all property in the County. Certain obligations, such as special assessment notes, are not subject to this limitation. At September 30, 2004, the County's debt limit amounted to \$1,138,405,293 and indebtedness subject to the limitation aggregated \$80,318,237.

### NOTE F – CONTINGENCIES, CLAIMS, RISK MANAGEMENT, AND LITIGATION

There are various legal actions pending against the County. Due to the inconclusive nature of these actions, it is not possible for Corporation Counsel to determine in the aggregate either the probable outcome of these actions or a reasonable estimate of the County's ultimate liability, if any.

The County is totally self-insured for workers' compensation for all losses, up to \$500,000 each occurrence, and self-insured for property and liability insurance claims up to \$50,000 and \$500,000, respectively, for specific losses. The County is insured for the amount of claims in excess of such limitation to a maximum of replacement cost for property and \$20,000,000 for liability claims. The County is self-insured for claims in excess of these insurance coverages. The County is also self-insured for the first \$50,000 of catastrophic coverage for auto physical damage per location.

The County paid losses within its self-insured retention through an Internal Service Fund. Net assets for this fund as of September 30, 2004 was \$7,026,990 with \$2,573,335 accrued as a liability for incurred losses and expenses. An actuarial study projected a required reserve of \$2.6 million for 2004. The County's Risk Manager provides employee accident prevention training and various risk control techniques through a continuing education program. There were no reductions in reinsurance coverages or settlements in excess of insurance coverages over the past three years.

A reconciliation of the claims liability for the years ended September 30, 2004 and 2003 is as follows:

	<u>Year Ended</u> <u>9/30/04</u>	<u>Year Ended</u> <u>9/30/03</u>
Claims Liability (beginning of year).....	\$2,478,124	\$2,968,121
Claims incurred during the period.....	1,401,628	1,175,452
Changes in estimate for claims of prior periods.....	(228,238)	(775,058)
Payments on claims.....	<u>(1,078,179)</u>	<u>(890,391)</u>
Claims liability (end of year).....	<u>\$2,573,335</u>	<u>\$2,478,124</u>

Several complaints for alleged discriminatory employment practices have also been filed against the County.

A portion of the fund balance of the General Fund has been designated to provide for a possible loss resulting from the unfavorable outcome of any claims and litigation. See Note G, which follows.

### NOTE G – GENERAL FUND AND CAPITAL PROJECTS RESERVES, DESIGNATIONS, AND DEFICITS

The County receives funds from various federal and state units to finance specific grants. The final determination of revenue amounts is subject to audit by the responsible agencies. Grant fund balance deficits, to the extent not liquidated by future operations, will be absorbed by the General Fund. Additionally, the County is a defendant in numerous legal actions of which Corporation Counsel is not able to provide information as to the probable outcome and extent of potential liability, if any. As a result of these and other matters discussed in Note F, above, the County has established a designation of fund balance in the General Fund in the amount of \$2,500,000 to provide for any audit adjustments of grant revenues, grand fund balance deficits and possible losses resulting from other contingencies, claims, and litigation.

The fund balance of the General Fund has also been reserved for long-term advances to other County units and funds in the amount of \$500,000.

The Hughes and Hatcher Capital Project fund incurred a deficit fund balance at September 30, 2004 of \$147,608. This deficit was caused by the incurrence of costs associated with the renovation of the Hughes and Hatcher facility. It is expected that bonds will be issued in an amount adequate to finance this project and will eliminate the deficit fund balance.

The Jail Site Remediation Capital Project fund incurred a deficit fund balance at September 30, 2004 of \$21,618. This deficit was caused by the incurrence of costs associated with hazardous material removal from the Jail Site. It is expected that County funds will be appropriated in an amount adequate to finance this project and eliminate the deficit fund balance.

The Genesee County Community Action Resource Department (GCCARD) General Building Fund Debt fund incurred a deficit fund balance at September 30, 2004 of \$243,508. This deficit was caused by the incurrence of costs associated with the renovation of facilities that house GCCARD. Adjustments to current year budgets within GCCARD to cover deficits will be made to eliminate the deficit fund balance.

#### NOTE H – PROPERTY TAXES

The County property tax is levied each December 1 on the assessed valuation of property located in the County as of the preceding December 31. On December 1, the property tax attachment is an enforceable lien on property and is payable by the last day of the next February following. Assessed values are established annually by the County and are equalized by the State at an estimated 50% of current market value. Real property in Genesee County for the 2004 levy was assessed at \$11,384,052,928 and equalized at \$11,384,052,928 representing 50% of estimated current market value. The County operating tax rate is currently 5.51 mills with an additional .48 mills voted each for parks and paramedics.

By agreement with various taxing authorities, the County purchases at face value the real property taxes receivable returned delinquent each March 1. These receivables (\$21,039,226 at September 30, 2004) are pledged to a bank for payment of notes payable, the proceeds of which were used to liquidate the amounts due the General Fund and various other funds and governmental agencies for purchase of the receivables and to provide funds for current operations. Subsequent collections on delinquent taxes receivable, plus interest and collection fees thereon and investment earnings, are used to extinguish the debt.

#### NOTE I – RETIREMENT PLANS

##### DEFINED BENEFIT PLAN

##### PLAN DESCRIPTION AND PROVISIONS

The County administers a contributory agent multi-employer defined benefit pension plan known as the Genesee County Employees Retirement System (GCERS). The plan is included as a pension trust fund in the County's Comprehensive Annual Financial Report. GCERS issues a publicly available annual financial report that includes financial statements and required supplementary information for the system as a whole. This report can be obtained from the Retirement Coordinator at the County's administrative offices, located at 1101 Beach Street, Flint, MI 48502.

GCERS was organized pursuant to Section 12a of Act #156, State of Michigan Public Acts of 1851 (MSA 5.33(1); MCLA 46.12a) as amended. GCERS was established by ordinance in 1946, beginning with General County employees and the County Road Commission, Genesee County Water and Waste Services joined the system in 1956, Genesee County Community Mental Health joined in 1966, the City of Mt. Morris in 1969, and the Genesee District Library in 1980. The GCERS is regulated under the Genesee County Employees' Retirement System Ordinance, the sections of which have been approved by the State of Michigan Pension Commission.

The plan provides for vesting of benefits after 8 years of service. Generally, participants may elect normal retirement with 20 to 25 years of credited service, regardless of age; or at age 60 with 8 or more years of credited service. Retirement benefits vary by employer group, and are payable monthly. Generally, the retirement benefit is equal to the employee's final average compensation times the sum of 2.5% for each year of credited service. All employers allow members to elect a deferred annuity providing a lifetime benefit. The length of service required to elect the deferred annuity is either 8 or 15 years, depending on the date of employment and employer group.

Membership in the plan at December 31, 2003 the date of the latest actuarial valuation was comprised of 1,450 active plan members, 104 inactive vested members and 1,313 retirees and beneficiaries.

##### FUNDING POLICY

The Plan provides that participating employers and employees contribute amounts necessary to fund the actuarially determined benefits. Employees immediately become members of GCERS and are required to deposit from .5% to 6.74% of all compensation, including overtime. Deposits are accumulated in individual accounts for each member remaining in service. Upon termination, a member may withdraw the accumulated employee contributions plus any interest credited to his or her account.

The County forwarded \$2,263,639 of pension contributions withheld from employees during the plan year ended December 31, 2003. During 2004 employer contribution rates ranged from 0% to 10.95% of covered payroll.

##### ACTUARIAL ASSUMPTIONS

Valuation date .....	December 31, 2003
Actuarial cost method .....	Individual
Amortization method .....	Level percent-of-payroll
Remaining amortization period .....	10 years open
Asset valuation method .....	4 year smoothed market
Investment rate of return .....	8.00%
Projected salary increases .....	5.00% to 9.03%
Includes inflation at .....	5.00%
Post retirement adjustments .....	Yes, depending on employer group

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## Exhibit A-13

### ANNUAL PENSION COST

The annual pension cost (APC), percentage of APC contributed, and net pension obligation (NPO), for the plan years ended December 31, 2003, 2002, and 2001, are summarized as follows:

Plan Year End	Actuarial Valuation Date	Annual Pension Costs (APC)	% of APC Contributed	Net Pension Obligation (Asset)
12/31/01	12/31/99	4,311,457	100.0 %	0
12/31/02	12/31/00	6,016,181	100.0 %	0
12/31/03	12/31/01	6,448,412	100.0 %	0

The Plan's Schedule of Funding Progress can be found in the Required Supplementary Information section.

### DEFINED CONTRIBUTION PLAN

The County offers a defined contribution pension plan as an alternative to the defined benefit pension plan. The International City Managers Association (ICMA) Retirement Corporation administers the plan, and the County Board of Commissioners has authority over plan provisions and contribution requirements. All employees are eligible to participate in this plan, if not participating in the Defined Benefit Plan. The County is required to contribute 10% of eligible employees' annual covered payroll, and employees are required to contribute between 3% and 7% of covered payroll. Employees are vested after 5 years of service. During the year ended September 30, 2004, employer and employee contributions to the plan were \$2,856,138 and \$1,404,512, respectively.

### OTHER POST-RETIREMENT BENEFITS

The employers that participate in the GCERS may provide health care and life insurance benefits to their employees through Genesee County. These benefits are funded through employer contributions to the County's General Fund, and are determined on a "pay as you go" basis and are not pre-funded. The total amount of post retirement benefits paid and expended for the year ended September 30, 2004 was \$8,107,570. Other post-retirement benefits have been negotiated for union employees through union contracts, and for non-union employees authorized by each entity's respective governing body.

### NOTE J - DEFERRED COMPENSATION

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available for withdrawal by the employee until termination, retirement, death, or unforeseeable emergency. During the year ended September 30, 1997, the law was changed to allow trusts to be created for the plan assets, thereby, insulating the assets from the County's general creditors. The County's plan administrator, Nationwide, created the trust and placed the assets of the plan within the trust. As a result, the plan assets have been removed from the County's Trust and Agency fund to reflect that the County no longer has any fiduciary or administrative responsibility for the plan.

### NOTE K - LEASES

The County is party to numerous operating leases, aggregate rental expenses which was approximately \$264,238 during the year ended September 30, 2004, exclusive of the amount paid to a related organization described below. Minimum future rental payments under existing leases are not significant.

The Genesee County Community Mental Health Services is committed under various leases for building and office space and vehicles. These leases are considered for accounting purposes to be operating leases and contain renewal options of two to three years. Rental expenditures for the year ended September 30, 2004 are \$1,774,166.

### NOTE L - INDIVIDUAL FUND INTERFUND RECEIVABLE AND PAYABLE BALANCES

	Interfund Receivables	Interfund Payables
Government Funds:		
General Fund:		
Mental Health.....		
Genesee County Community Action Resource Department .....	\$ 4,941,690	
Workforce Investment Act .....	2,096,277	
Proprietary .....	1,552,943	\$ 832,714
Fiduciary .....	417,062	1,051
Non-major Governmental .....	804,787	
Debt .....	229,805	
Capital .....	167,430	185,201
Internal Service .....	5,026,105	3,307,902
Total General Fund .....	15,236,098	4,326,868

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Mental Health:		
County Health .....	2,006	47,009
Total Mental Health .....	<u>2,006</u>	<u>47,009</u>
County Health:		
Mental Health .....	47,009	2,006
Non-major Governmental .....		895
Internal Service .....		389,417
Total County Health .....	<u>47,009</u>	<u>372,318</u>
Genesee County Community Action Resource Department:		
General Fund .....		4,941,690
Internal Service .....	3	189,364
Total Genesee County Community Action Resource Department .....	<u>3</u>	<u>5,131,054</u>
Workforce Investment Act:		
General Fund .....		2,096,277
Internal Service .....		1,684
Total Workforce Investment Act .....	<u>0</u>	<u>2,097,961</u>
Non-major Governmental Funds:		
General Fund .....	185,201	804,787
Major Special Revenue .....	895	
Non-major Special Revenue .....	357,244	357,244
Proprietary .....		42,134
Internal Service .....		622,623
Fiduciary .....	25,403	6,654
Debt Service .....		229,805
Capital Projects .....		167,430
Total Non-major Governmental Funds .....	<u>568,743</u>	<u>2,230,677</u>
Total Governmental Funds .....	<u>15,853,859</u>	<u>14,205,887</u>
Proprietary:		
Delinquent Tax:		
General Fund .....	832,714	1,549,039
Non-major Special Revenue .....	42,134	
Proprietary .....	1,006,247	1,006,247
Internal Service .....		266,306
Total Delinquent Tax .....	<u>1,881,095</u>	<u>2,821,592</u>
Parks and Recreation:		
General Fund .....		3,904
Total Business Type Activity .....	<u>1,881,095</u>	<u>2,825,496</u>
Internal Service Funds:		
General Fund .....	3,309,586	5,026,105
County Health .....	369,417	
Genesee Community Action Resource Department .....	189,364	3
Fiduciary .....	4,464	194,115
Non-major Governmental .....	622,623	500
Proprietary .....	266,306	
Total Internal Service Funds .....	<u>4,761,760</u>	<u>5,220,723</u>
Fiduciary Funds:		
Trust and Agency:		
General Fund .....	1,051	416,167
Non-major Special Revenue .....	6,654	24,773
Internal Service .....	194,615	
Fiduciary .....	51,049	51,049
Total Fiduciary Funds .....	<u>253,369</u>	<u>491,989</u>
Total Interfund Receivables/Payables .....	<u>\$22,750,083</u>	<u>\$22,744,094</u>

Note—The interfund receivables/payables exist due to the fact that the County uses a pooled cash management account for substantially all funds. The Interfund Receivables/Payables do not agree in this presentation due to the fact that the Retirement System presents December 31, 2003 balances.

#### NOTE M-EXCESSES OF EXPENDITURES OVER APPROPRIATIONS

Excesses of expenditures over appropriations in individual funds are presented on the following page:

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

Exhibit A-13

<u>Fund</u>	<u>Excess Expenditures</u>
<b>General Fund</b>	
Board of Commissioners .....	\$ 20,096
Administration of Justice .....	1,687,697
Law Enforcement/Community Protection .....	546,637
Human Services .....	930,757
<b>Other Governmental Funds</b>	
Accommodation Ordinance Tax .....	233,471
Community Development .....	576,089
Drug Forfeitures .....	218,495
Paramedics .....	319,124
Parks and Recreation .....	1,933,451
Township Police Support Services .....	108,269
Law Enforcement .....	193,828

### NOTE N-COMPONENT UNIT DISCLOSURES

**Cash and Cash Equivalents:** The Genesee County Road Commission's carrying balance for deposits at September 30, 2004 was \$34,815,094 and the bank balance was \$35,779,671. The County Treasurer is the custodian of the Commission's funds along with those of the County itself. The Road Commission funds are not separately insured. Therefore, the Road Commission is unable to determine the amount of its bank deposits guaranteed by Federal depository insurance. See Note C. Included in the balance sheet account cash and cash equivalents at September 30, 2004 is \$400 in petty cash.

The Economic Development Corporation's carrying balance for deposits at December 31, 2003 was \$793,675 and the bank balance was \$794,031. Of the bank balance, \$10,000 was insured, \$269,025 was uninsured but collateralized with the securities held by the banking institution not in the Economic Development Corporation's name, while the insured portion of the remaining \$474,867 could not be determined because the funds are held in a savings account by the City of Flint.

The Water and Waste Services carrying balance for deposits at December 31, 2003 was \$27,240,343 and the bank balance was \$45,627,999. The County Treasurer is the custodian of the Division's funds along with those of the County itself. The water and Waste Services are not separately insured. Therefore, Water and Waste Services is unable to determine the amount of its bank deposits guaranteed by Federal depository insurance. See Note C.

The Drain Funds carrying balance for deposits at September 30, 2004 was \$2,622,454 and the bank balance was \$2,622,454. The County Treasurer is the custodian for all funds held by the Drain funds as well as all other County funds. The deposits for the Drain Funds are not insured separately. Therefore, it is not possible to determine the amount of its bank deposits guaranteed by Federal depository insurance. See Note C.

**Investments:** Investment for Water and Waste Services at December 31, 2003 consisted of \$1,330,000 in commercial paper and \$4,973,547 in Federal National Mortgage Obligations.

**Investments:** Investments for the Road Commission consisted of governmental repurchase agreements in the amount of \$8,693,896.

**Long-Term Debt:** The long term debt for the Genesee County Road Commission is presented below:

	<u>General Obligations</u> <u>Bonds &amp; Notes</u>	<u>Capital Lease</u> <u>Obligation</u>	<u>Other</u>	<u>Total</u>
Long-term debt payable at September 30, 2003 .....	\$5,590,000	\$277,846	\$ 6,037	\$5,873,933
New Debt:				
Notes Issued .....		562,920		562,920
Lease .....				
Bonds and Notes Retired .....	(1,175,000)			(1,175,000)
Lease Payments .....		(243,189)	(1,850)	( 245,039)
Long-term debt payable at September 30, 2004 .....	<u>\$4,415,000</u>	<u>\$595,577</u>	<u>\$ 4,237</u>	<u>\$5,016,814</u>

The outstanding bonds and notes payable at September 30, 2004, and matured interest thereon, are payable to the state of Michigan from the proceeds of state-collected taxes returned to the Road Commission as Act 51 monies. In the case of default, the state treasurer is authorized to withhold future disbursements of Act 51 monies due the Road Commission until the defaulted payments are recovered by the state.

For certain outstanding notes, special assessments have also been levied on specific properties abutting certain road improvements. The collection of the assessments has been pledged as additional security for the payment of the bonds.



The detail of general obligation bonds and loans payable is shown below:

<u>Obligation Payables</u>	<u>Final Payment Due</u>	<u>Interest Rate or Range</u>	<u>Annual Principal Payment or Range</u>	<u>Outstanding Balance Sept. 30, 2004</u>	<u>Due Within One Year</u>
Michigan Transportation Fund notes:					
1995 Issue .....	August 1, 2005	4.75	\$140,000	\$ 140,000	\$ 140,000
1996 Issue .....	August 1, 2006	5.125	95,000	190,000	95,000
1997 Issue .....	August 1, 2007	4.85	75,000	225,000	75,000
1998 Issue .....	August 1, 2008	3.8-6.8	445,000	1,780,000	445,000
1999 Issue .....	August 1, 2009	4.55-7.5	75,000	375,000	75,000
2000 Issue .....	August 1, 2010	4.5-7.5	105,000	630,000	105,000
2001 Issue .....	August 1, 2011	3.5-4.2	125,000	875,000	125,000
2003 Issue .....	August 1, 2012	3.7-5.8	25,000	200,000	25,000
Total Notes .....				4,415,000	
Capital lease obligation .....				597,577	
Other .....				4,237	0
				<u>\$5,016,814</u>	<u>\$1,885,000</u>

Annual requirements to pay principal and interest on the outstanding obligations at September 30, 2004, are as follows:

Year Ended 9-30-2005 .....	\$1,458,117
9-30-2006 .....	1,166,430
9-30-2007 .....	1,029,692
9-30-2008 .....	919,865
9-30-2009 .....	443,507
Remaining years .....	617,879
Amount representing interest .....	(618,676)
	<u>\$5,016,814</u>

Act 143, Public Acts of State 1943, provides that total bonds and notes outstanding under this act cannot exceed 40% of the sum of the revenues derived from state collected taxes returned to the county for county road purposes for the last preceding five calendar years and not specifically allocated for other purposes. As of September 30, 2004, the Road Commission is within the statutory limit of Act 143.

The summary of long-term debt transactions for Water and Waste Services for the year ended December 31, 2003, is presented below:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance December 31</u>	<u>Due Within One Year</u>
Interceptor and treatment facilities ....	\$37,695,000	\$ 9,000,000	\$ 5,530,000	\$41,165,000	\$ 7,390,000
District No. 3 .....	27,600,000	4,000,000	1,795,000	29,805,000	1,600,000
District No. 7 .....	650,000		150,000	500,000	175,000
Water Supply System .....	2,155,000	27,000,000	460,000	28,695,000	1,095,000
Long-term debt payable at December 31, 2003 .....	<u>\$68,100,000</u>	<u>\$ 40,000,000</u>	<u>\$ 7,935,000</u>	<u>\$100,165,000</u>	<u>\$ 10,260,000</u>

The annual requirements to pay principal and interest on the outstanding obligations at December 31, 2003, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004 .....	\$ 10,260,000	\$ 4,477,742	\$ 14,737,742
2005 .....	7,530,000	4,030,730	11,560,730
2006 .....	6,380,000	3,729,833	10,109,833
2007 .....	6,395,000	3,436,639	9,831,639
2008 .....	6,085,000	3,193,930	9,278,930
2009-2013 .....	23,570,000	12,593,903	36,163,903
2014-2018 .....	23,280,000	6,713,842	29,993,842
2019-2023 .....	16,665,000	6,504,643	23,169,643
Total .....	<u>\$100,165,000</u>	<u>\$44,681,262</u>	<u>\$144,846,262</u>

The summary of long-term debt transactions for the Drain funds for the year ended September 30, 2004, is presented below:

	<u>Balance Oct. 1, 2003</u>	<u>Additions (Reductions)</u>	<u>Balance Sept. 30, 2004</u>	<u>Due in One Yr</u>
3.69% to 6.85% Genesee County Special Assessment debt with governmental commitment .....	\$ 1,152,898	\$ 520,100		
		(404,290)	\$ 1,268,708	\$ 504,849
4.0% to 5.0% Genesee County Drainage District #405 Series 1997 Bonds .....	505,000	(100,000)	305,000	100,000
4.75 to 5.4% Genesee County Drainage District #1610 Series 2000 Bonds .....	650,000	(50,000)	600,000	50,000
	<u>\$2,207,898</u>	<u>\$(34,190)</u>	<u>\$2,173,708</u>	<u>\$ 654,849</u>

# NOTES TO FINANCIAL STATEMENTS

## GENESEE COUNTY

## Exhibit A-13

The annual requirements to pay principal and interest on the outstanding obligations at September 30, 2004, are as follows:

2004/2005 .....	\$ 747,427
2005/2006 .....	519,846
2006/2007 .....	420,068
2007/2008 .....	240,227
2008/2009 .....	148,448
2009/2013 .....	257,650
2014-2018 .....	<u>166,025</u>
	2,499,690
Amount representing interest .....	<u>(325,982)</u>
	<u>\$2,173,708</u>

**Property and Equipment:** The following table summarizes the changes in the components of the Road Commission's capital assets:

	Balance Oct. 1, 2003	Additions	Deletions	Balance Sept. 30, 2004
Capital assets not being depreciated:				
Land and improvements .....	\$ 478,816	\$	\$	\$ 478,816
Construction in progress .....	26,058		26,058	0
Depletable assets .....	<u>1,210</u>			<u>1,210</u>
Subtotal .....	506,084		26,058	480,026
Capital assets being depreciated:				
Land improvements .....	403,426			403,426
Buildings and improvements .....	7,312,240	313,755		7,625,995
Equipment:				
Road .....	18,090,504	2,610,643	1,791,388	18,909,759
Shop .....	415,126	34,864	14,079	435,911
Engineering .....	43,354			43,354
Yard and Storage .....	498,964			498,964
Office .....	1,162,114	55,162	68,436	1,148,840
Field .....	59,392			59,392
Shop tools .....	7,148			7,148
Lab .....	<u>13,408</u>			<u>13,408</u>
Total .....	28,511,760	3,014,424	1,899,961	29,626,223
Infrastructure-Roads .....	27,564,853	10,914,451		38,479,304
Infrastructure-Bridges .....	<u>1,529,517</u>	<u>31,891</u>		<u>1,561,408</u>
Subtotal .....	57,606,130	13,960,766	1,899,961	69,666,935
Less accumulated depreciation for:				
Land improvements .....	(98,192)	(20,883)		(119,075)
Buildings and improvements .....	(3,153,757)	(355,692)		(3,509,449)
Equipment:				
Road .....	(13,523,735)	(1,958,504)	(1,774,208)	(13,708,031)
Shop .....	(285,079)	(18,806)	(14,079)	(289,806)
Engineering .....	(42,451)	(439)		(42,890)
Yard and storage .....	(489,380)	(2,255)		(491,635)
Office .....	(739,962)	(96,212)	(68,436)	(767,738)
Field .....	(35,249)	(3,397)		(38,646)
Shop Tools .....	(5,387)	(424)		(5,811)
Lab .....	<u>(14,608)</u>	<u>(150)</u>	<u>(1,350)</u>	<u>(13,408)</u>
Subtotal .....	(18,386,600)	(2,456,612)	(1,856,723)	(18,986,489)
Infrastructure-Bridges .....	(99,797)	(62,457)		(162,254)
Infrastructure-Roads .....	<u>(1,838,449)</u>	<u>(1,923,966)</u>		<u>(3,762,415)</u>
Subtotal .....	<u>(20,324,846)</u>	<u>(4,443,035)</u>	<u>(1,856,723)</u>	<u>(22,911,158)</u>
Total net capital assets .....	<u>\$37,281,284</u>	<u>\$ 9,517,731</u>	<u>\$ 43,238</u>	<u>\$46,755,777</u>

The following is a summary of capital assets for Water and Waste Services at December 31, 2003

	Balance Jan. 1, 2003	Additions	Deletions	Balance Dec. 31, 2003
Proprietary fund capital assets				
Enterprise Funds:				
Capital assets not being depreciated:				
Land .....	\$ 462,688	\$	\$	\$ ,688
Construction in progress .....	<u>14,366,973</u>	<u>22,352,317</u>	<u>(215,070)</u>	<u>36,504,220</u>
Subtotal .....	<u>14,829,661</u>	<u>22,352,317</u>	<u>(215,070)</u>	<u>36,966,908</u>
Capital assets being depreciated:				

Distribution & collections systems	48,426,024			48,426,024
	<b>Balance</b>			<b>Balance</b>
	<b>Jan. 1, 2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>Dec. 31, 2003</b>
Buildings and equipment .....	58,220,079	\$ 1,175,479		\$ 59,395,558
Subtotal .....	106,646,103	1,175,479	\$ 0	107,821,582
Less accumulated depreciation for:				
Distribution & collections systems	(6,231,230)	(882,113)		(7,113,343)
Buildings and equipment .....	(13,359,286)	(658,068)		(14,017,354)
Subtotal .....	(19,590,516)	(1,540,181)	0	(21,130,697)
Net capital assets being depreciated	87,055,587	(364,702)	0	86,690,885
Total capital assets - Net of depreciation	101,885,248	21,987,615	(215,070)	123,657,793
Internal Service Funds:				
Capital assets not being depreciated -				
Construction in progress .....	17,050	162,545		179,595
Capital assets being depreciated -				
Buildings and equipment .....	4,713,335	779,754	(338,629)	5,154,460
Less accumulated depreciation -				
Buildings and equipment .....	(2,271,547)	(491,170)	335,162	(2,427,555)
Net capital assets being depreciated	2,441,788	288,584	(3,467)	2,726,905
Total capital assets - Net of depreciation	2,458,838	451,129	(3,467)	2,905,500
Total proprietary fund capital assets	\$104,344,086	\$22,438,744	\$ (218,537)	\$126,564,293

The following is a summary of capital assets for the Drain fund at September 30, 2004:

	<b>Balance</b>			<b>Balance</b>
	<b>Oct. 1, 2003</b>	<b>Additions</b>	<b>Deletions</b>	<b>Sept. 30, 2004</b>
Capital assets being depreciated:				
Equipment .....	\$ 926,434	\$ 104,763		\$1,031,197
Infrastructure .....	4,641,928	3,940,368		8,582,296
Construction in Progress .....	132,740	16,796	\$ 25,165	124,371
Subtotal .....	5,701,102	4,061,927	25,165	9,737,864
Less Allowance for Depreciation....				
Equipment .....	(539,939)	(124,125)		(664,064)
Infrastructure .....	(381,345)	(397,564)		(778,909)
Subtotal .....	(921,284)	(521,689)		(1,442,973)
Total Capital Assets				
Net of depreciation .....	\$4,779,818	\$3,540,238	\$ 25,165	\$8,294,891

**Deferred Compensation:** The Genesee County Road Commission offers its employees a deferred compensation plan created in accordance with Internal Revenue code Section 457. The plan, available to all Road Commission employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. During the year ended September 30, 1997, the law changed to allow trusts to be created for the plan assets, thereby insulating the assets from the Road Commission's general creditors. The Road Commission's plan administrator, Nationwide, created the trust and placed the assets of the plan within the trust. As a result, the plan assets have been removed from the Road Commission financial statement to reflect that the Road Commission no longer has any fiduciary or administrative responsibility for the plan.

Water and Waste Services offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. The plan, available to all Water and Waste Services employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

Water and Waste Services has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Water and Waste Services believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

**GENESEE COUNTY EMPLOYEES' RETIREMENT SYSTEM  
ANALYSIS OF FUNDING PROGRESS - FOR THE YEAR ENDED DECEMBER 31, 2003  
REQUIRED SUPPLEMENTARY INFORMATION**

**GENESEE COUNTY**

**Exhibit A-14**

<u>Plan Year End</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a) (000's)</u>	<u>Actuarial Accrued Liability Entry Age (AAL) (b) (000's)</u>	<u>AAL (Funded) Unfunded (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c) (000's)</u>	<u>UAAL as % of Covered Payroll (b-a)/c</u>
12/31/03	12/31/03	\$ 405,218	\$ 433,148	\$ 27,930	93.6%	\$ 70,143	39.8%
12/31/02	12/31/02	414,126	423,009	8,884	97.9%	68,667	12.9%
12/31/01	12/31/01	425,847	403,159	(22,688)	105.6%	65,765	-34.5%
12/31/00	12/31/00	432,631	399,583	(33,048)	108.3%	63,781	-51.8%
12/31/99	12/31/99	418,745	369,606	(49,139)	113.3%	64,378	-76.3%
12/31/98	12/31/98	380,089	343,752	(36,338)	110.6%	62,450	-58.2%
12/31/97	12/31/97	331,952	324,882	(7,070)	102.2%	61,108	-11.6%
12/31/96	12/31/96	317,581	320,076	2,495	99.2%	65,206	3.8%
12/31/95	12/31/95	299,417	307,598	8,181	97.3%	69,200	11.8%
12/31/94	12/31/94	270,364	294,815	24,451	91.7%	65,137	37.5%

**SUPPLEMENTARY  
INFORMATION**

**GENERAL AND MAJOR FUNDS**

**SCHEDULE OF REVENUES AND TRANSFERS IN  
BUDGET AND ACTUAL -- GENERAL FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**GENESEE COUNTY**

**Exhibit B-1**

Fiscal Year Ended September 30, 2004				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>OPERATING REVENUE</b>				
<b>TAXES</b>				
Current property taxes.....	\$ 52,568,212	\$ 52,569,212	\$ 52,316,088	\$ (253,124)
<b>LICENSES AND PERMITS</b>				
Dog licenses .....	479,796	479,796	300,549	(179,247)
Other.....	63,284	88,784	86,827	(1,957)
<b>TOTALS</b>	<b>543,080</b>	<b>568,580</b>	<b>387,376</b>	<b>(181,204)</b>
<b>FINES AND FORFEITURES</b>				
Ordinance fines and costs.....	1,850,253	1,794,003	2,203,347	409,344
Bond forfeitures .....	52,686	189,936	195,963	6,027
<b>TOTALS</b>	<b>1,702,939</b>	<b>1,983,939</b>	<b>2,399,310</b>	<b>415,371</b>
<b>USE OF MONEY AND PROPERTY</b>				
Interest earned .....	650,000	653,000	110,502	(542,498)
<b>FEDERAL GRANTS</b>				
Friend of the Court Incentive.....	930,000	930,000	155,534	(774,466)
<b>OTHER INTERGOVERNMENTAL REVENUES</b>				
State income tax.....	7,395,601	7,395,601	5,929,005	(1,466,596)
Single business tax.....	1,560,273	1,560,273	1,352,579	(207,694)
Probate judges salaries .....	264,585	264,585	246,356	(18,229)
State liquor tax.....	2,024,704	2,024,704	1,010,888	(1,013,816)
State cigarette tax.....	210,397	210,397	77,147	(133,250)
Other.....	3,944,657	4,099,657	4,331,208	231,551
<b>TOTALS</b>	<b>15,400,217</b>	<b>15,555,217</b>	<b>12,947,183</b>	<b>(2,608,034)</b>
<b>CHARGES FOR SERVICES</b>				
Animal Shelter .....	90,088	91,088	74,586	(16,502)
District Court.....	1,586,717	2,220,375	2,432,390	212,015
Friend of the Court.....	878,000	1,065,000	1,306,917	241,917
Probate Court .....	166,960	184,110	189,992	5,882
Probation fees .....	311,894	17,500	53,745	36,245
County Treasurer.....	26,025	26,525	22,819	(3,706)
County Clerk .....	579,630	952,580	968,326	15,746
Register of Deeds .....	4,471,012	4,673,099	4,103,943	(569,156)
Sheriff .....	1,791,315	2,350,815	1,448,781	(902,034)
Other services .....	522,864	191,900	80,852	(111,048)
<b>TOTALS</b>	<b>10,424,505</b>	<b>11,772,992</b>	<b>10,682,351</b>	<b>(1,090,641)</b>
<b>OTHER REVENUE.....</b>				
<b>TOTAL OPERATING REVENUE</b>	<b>1,652,016</b>	<b>3,370,520</b>	<b>3,813,439</b>	<b>442,919</b>
<b>TRANSFERS IN</b>	<b>83,870,969</b>	<b>87,403,460</b>	<b>82,811,783</b>	<b>(4,591,677)</b>
Enterprise Funds .....	2,200,000	3,283,895	8,346,915	5,063,220
Special Revenue Funds.....	1,200,000	1,200,000	1,200,000	0
Internal Service Funds.....	1,229,769	1,229,769	1,242,527	12,758
<b>TOTAL TRANSFERS IN</b>	<b>4,629,769</b>	<b>5,713,464</b>	<b>10,789,442</b>	<b>5,075,978</b>
	<b>\$ 88,500,738</b>	<b>\$ 93,116,924</b>	<b>\$ 93,601,224</b>	<b>\$ 484,300</b>

NOTE - The budgetary basis is the same as reported by generally accepted accounting principles.

**SCHEDULE OF EXPENDITURES AND APPROPRIATIONS  
BUDGET AND ACTUAL -- GENERAL FUND  
REQUIRED SUPPLEMENTARY INFORMATION**

**GENESEE COUNTY**

**Exhibit B-2**

	Fiscal Year Ended September 30, 2004			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>LEGISLATIVE</b>				
Board of Commissioners.....	\$ 803,064	\$ 904,485	\$ 924,581	\$ (20,096)
<b>MANAGEMENT AND PLANNING</b>				
Board Coordinator.....	566,878	467,380	331,332	136,048
Boundary Commission.....	1,200	1,200	0	1,200
County Clerk.....	2,625,347	2,666,574	2,551,581	114,993
County Treasurer.....	1,519,471	1,588,742	1,470,645	118,097
Drain Commission.....	1,196,233	1,161,208	1,165,337	(4,129)
Elections Clerk.....	490,065	470,065	457,173	12,892
Equalization.....	1,563,149	1,494,549	1,491,460	3,089
Register of Deeds.....	948,036	949,055	926,525	22,530
TOTALS	8,910,379	8,798,773	8,394,053	404,720
<b>ADMINISTRATION OF JUSTICE</b>				
Adult Probation.....	273,471	272,542	511,077	(238,535)
Circuit Court.....	4,656,042	4,783,994	6,603,828	(1,819,834)
District Court.....	5,159,604	5,067,275	5,260,567	(193,292)
Friend of the Court.....	2,881,944	2,830,276	2,642,633	187,643
Jury Board.....	294,901	293,881	267,013	26,868
Probate Court.....	6,024,974	6,089,310	5,992,017	97,293
Prosecutor.....	4,211,353	4,202,626	3,984,084	218,542
Pretrial Services.....	885,758	886,882	853,264	33,618
TOTALS	24,388,047	24,426,786	26,114,483	(1,687,697)
<b>LAW ENFORCE/ COMMUNITY PROTECTION</b>				
Road Patrol.....	168,470	218,600	278,028	(59,428)
Office of Emergency Preparedness.....	253,694	251,795	222,111	29,684
Sheriff Administration.....	2,875,079	2,736,047	2,658,285	77,762
Sheriff Marine Division.....	158,586	178,099	178,192	(93)
Detective Division.....	1,278,944	1,367,653	1,246,885	120,768
Sheriff Security.....	14,620,724	16,981,551	17,696,881	(715,330)
New Paths.....	470,850	470,850	470,850	0
TOTALS	19,826,347	22,204,595	22,751,232	(546,637)
<b>HUMAN SERVICES</b>				
Community Mental Health.....	433,475	433,475	992,028	(558,553)
County Health.....	0	0	101,452	(101,452)
Community Action Resourced.....			282,809	
Veterans Burial.....	85,315	43,874	35,670	8,204
Veterans Information Center.....	126,765	140,306	136,453	3,853
TOTALS	645,555	617,655	1,548,412	(647,948)
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>				
Cooperative Extension.....	584,700	557,278	533,828	23,450
<b>GENERAL SUPPORT SERVICES</b>				
Affirmative Action.....	243,569	242,564	199,860	42,704

NOTE - The budgetary basis is the same as the basis required by generally accepted accounting principles.

Fiscal Year Ended September 30, 2004				
	Original Budgeted Amounts	Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
OTHER				
Other.....	\$ 4,485,831	\$ 4,006,460	\$ 2,035,391	\$ 1,971,069
Postretirement Benefits.....	6,405,000	8,152,000	8,107,570	44,430
TOTALS	10,890,831	12,158,460	10,142,961	2,015,499
CAPITAL OUTLAY				
Circuit Court.....		25,420	23,661	1,759
County Clerk.....		550	73	477
County Treasurer.....		7,220	7,285	(65)
District Court.....		50,250	45,731	4,519
Prosecutor.....		27,565	17,922	9,643
Sheriff.....		37,349	49,978	(12,629)
All others.....		69,089	71,196	(2,107)
TOTALS	0	217,443	215,846	1,597
DEBT SERVICE				
Principal.....	89,720	89,720	89,720	0
TOTAL EXPENDITURES	66,382,212	70,217,759	70,914,976	(414,408)
APPROPRIATIONS				
Special Revenue:				
Administration of Justice Funds.....	1,281,828	1,541,180	1,412,130	129,050
Animal Shelter.....	1,021,848	1,028,532	1,018,636	9,896
Child Care.....	8,996,385	8,999,622	8,996,385	3,237
Community Action Resource Department.....	125,550	125,550	125,550	0
Community Enrichment and Development Funds.....	184,433	235,448	193,973	41,475
County Health.....	6,723,727	6,765,168	6,765,168	0
Law Enforcement Funds.....	64,500	404,916	365,678	39,238
Mental Health.....	2,571,093	2,571,093	2,571,093	0
Parks and Recreation.....	440,751	469,591	469,591	0
Planning Commission.....	599,523	598,413	598,413	0
Social Services.....	44,388	44,388	44,388	0
TOTALS	22,054,026	22,783,901	22,561,005	222,896
Internal Service:				
Delinquent Taxes.....	2,500	2,500	67	2,433
Administrative Services.....	62,000	46,484	44,484	2,000
Vehicles and Equipment.....		3,309	3,309	0
Building and Grounds.....		25,298	25,298	0
TOTALS	64,500	77,591	73,158	4,433
TOTAL APPROPRIATIONS	22,118,526	22,861,492	22,634,163	227,329
TOTAL EXPENDITURES AND APPROPRIATIONS	\$ 88,500,738	\$ 93,079,251	\$ 93,549,139	\$ (187,079)



**SCHEDULE OF REVENUES AND OTHER SOURCES -- BUDGET AND ACTUAL --  
MAJOR SPECIAL REVENUE FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION**

**GENESEE COUNTY**

**Exhibit B-3**

Fiscal Year Ended September 30, 2004			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>MENTAL HEALTH</b>			
General Fund appropriation.....	\$ 2,591,093	\$ 2,571,093	\$ (20,000)
Use of money and property.....	1,000	30,129	29,129
Federal grants.....	1,532,709	1,873,155	340,446
State grants.....	25,346,871	23,182,004	(2,164,867)
Charges for services.....	65,164,733	73,266,927	8,102,194
Other.....	550,762	443,606	(107,156)
<b>TOTALS</b>	<b>\$ 95,187,168</b>	<b>\$ 101,366,914</b>	<b>\$ 6,179,746</b>
<b>COUNTY HEALTH</b>			
General Fund appropriation.....	\$ 7,825,007	\$ 6,765,168	\$ (1,059,839)
Licenses and permits.....	668,545	618,468	(50,077)
Federal grants.....	1,773,115	1,670,163	(102,952)
State grants.....	12,067,967	11,833,583	(234,384)
Charges for services.....	884,996	920,025	35,029
Other intergovernmental revenue.....	38,400	32,021	(6,379)
Other.....	3,069,865	4,256,037	1,186,172
Other Transfers-In.....	1,475,978		(1,475,978)
<b>TOTALS</b>	<b>\$ 27,803,873</b>	<b>\$ 26,095,465</b>	<b>\$ (1,708,408)</b>
<b>COMMUNITY ACTION RESOURCE DEPARTMENT</b>			
General Fund appropriation.....	\$ 125,550	\$ 125,550	\$ 0
Federal grants.....	25,972,630	25,159,974	(812,656)
State grants.....	1,016,409	2,096,670	1,080,261
Other.....	4,670,965	3,600,031	(1,070,934)
<b>TOTALS</b>	<b>\$ 31,785,554</b>	<b>\$ 30,982,225</b>	<b>\$ (803,329)</b>
<b>WORKFORCE INVESTMENT ACT PROGRAM</b>			
Federal grants.....	\$ 20,654,267	\$ 20,654,267	\$ 0
State grants.....	1,082,834	1,082,834	0
<b>TOTALS</b>	<b>\$ 21,737,101</b>	<b>\$ 21,737,101</b>	<b>\$ 0</b>

NOTE - The budgetary basis is the same as the basis required by generally accepted accounting principles.

**SCHEDULE OF EXPENDITURES AND OTHER USES -- BUDGET AND ACTUAL --  
MAJOR SPECIAL REVENUE FUNDS  
REQUIRED SUPPLEMENTARY INFORMATION**

**GENESEE COUNTY**

**Exhibit B-4**

Fiscal Year Ended September 30, 2004			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>MENTAL HEALTH</b>			
General Fund appropriation.....	\$ 2,591,093	\$ 2,571,093	\$ (20,000)
Use of money and property.....	1,000	30,129	29,129
Federal grants.....	1,532,709	1,873,155	340,446
State grants.....	25,346,871	23,182,004	(2,164,867)
Charges for services.....	65,164,733	73,266,927	8,102,194
Other.....	550,762	443,606	(107,156)
<b>TOTALS</b>	<b>\$ 95,187,168</b>	<b>\$ 101,366,914</b>	<b>\$ 6,179,746</b>
<b>COUNTY HEALTH</b>			
General Fund appropriation.....	\$ 7,825,007	\$ 6,765,168	\$ (1,059,839)
Licenses and permits.....	668,545	618,468	(50,077)
Federal grants.....	1,773,115	1,670,163	(102,952)
State grants.....	12,067,967	11,833,583	(234,384)
Charges for services.....	884,996	920,025	35,029
Other intergovernmental revenue.....	38,400	32,021	(6,379)
Other.....	3,069,865	4,256,037	1,186,172
Other Transfers-In.....	1,475,978		(1,475,978)
<b>TOTALS</b>	<b>\$ 27,803,873</b>	<b>\$ 26,095,465</b>	<b>\$ (1,708,408)</b>
<b>COMMUNITY ACTION RESOURCE DEPARTMENT</b>			
General Fund appropriation.....	\$ 125,550	\$ 125,550	\$ 0
Federal grants.....	25,972,630	25,159,974	(812,656)
State grants.....	1,016,409	2,096,670	1,080,261
Other.....	4,670,965	3,600,031	(1,070,934)
<b>TOTALS</b>	<b>\$ 31,785,554</b>	<b>\$ 30,982,225</b>	<b>\$ (803,329)</b>
<b>WORKFORCE INVESTMENT ACT PROGRAM</b>			
Federal grants.....	\$ 20,654,267	\$ 20,654,267	\$ 0
State grants.....	1,082,834	1,082,834	0
<b>TOTALS</b>	<b>\$ 21,737,101</b>	<b>\$ 21,737,101</b>	<b>\$ 0</b>

NOTE - The budgetary basis is the same as the basis required by generally accepted accounting principles.

**COMBINING  
FUND FINANCIAL STATEMENTS**  

---

**NONMAJOR GOVERNMENTAL FUNDS**

# COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit C-1

	Special Revenue	Debt Service
Cash and cash equivalents - Note C.....	\$ 6,981,282	\$ 3,737,385
Investments - Note C.....	3,343,942	11,414,146
Interest and accounts receivable.....	197,466	
Due from other governmental units.....	6,062,521	
Due from other County funds -- Note L.....	383,542	
Supplies inventory.....	224,192	
Other assets.....	55,333	
<b>TOTAL ASSETS</b>	<b>\$ 17,248,278</b>	<b>\$ 15,151,531</b>
Accounts Payable.....	\$ 1,570,041	\$ 13,703
Accrued payroll.....	655,244	
Other accrued liabilities and deposits.....	2,045,721	
Due to other governmental units.....	902,357	
Due to other County funds -- Note L.....	1,833,442	229,805
Deferred revenue - Note H.....	217,948	
<b>TOTAL LIABILITIES</b>	<b>7,224,753</b>	<b>243,508</b>
Fund balances:		
Unreserved:		
Designated for programs and debt service.....	6,958,608	14,908,023
Undesignated.....	3,064,917	0
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>10,023,525</b>	<b>14,908,023</b>
<b>TOTAL LIABILITIES, FUND BALANCE (DEFICITS)</b>	<b>\$ 17,248,278</b>	<b>\$ 15,151,531</b>

September 30, 2004

Capital Projects	Total Nonmajor Governmental Funds
\$ 1,974,868	\$ 12,693,535
	14,758,088
	197,466
	6,062,521
185,201	568,743
	224,192
	55,333
<u>\$ 2,160,069</u>	<u>\$ 34,559,878</u>
\$ 47,248	\$ 1,630,992
	655,244
384,376	2,430,097
	902,357
167,430	2,230,677
	217,948
<u>599,054</u>	<u>8,067,315</u>
1,355,811	23,222,442
205,204	3,270,121
<u>1,561,015</u>	<u>26,492,563</u>
<u>\$ 2,160,069</u>	<u>\$ 34,559,878</u>

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -- NONMAJOR GOVERNMENTAL FUNDS

GENESEE COUNTY

Exhibit C-2

	Primary Government-	
	Special Revenue	Debt Service
Revenues:		
Taxes--Note H.....	\$ 9,190,301	
Licenses and permits.....	129,484	
Fines and forfeitures.....	234,776	
Use of money and property.....	102,190	\$ 4,455,707
Federal grants--Note G.....	9,008,678	
State grants--Note G.....	12,150,144	
Other intergovernmental revenues.....	1,866,212	
Charges for services.....	3,693,325	
Other.....	3,693,516	
<b>TOTAL REVENUES</b>	<b>40,068,626</b>	<b>4,455,707</b>
Expenditures:		
Current operations:		
Management and planning.....	2,154,804	
Administration of justice.....	10,166,423	
Law enforcement and community protection.....	9,443,703	
Human services.....	19,592,159	
Community enrichment and development.....	7,006,071	
Other.....	1,699,315	335,631
Capital outlay.....	2,605,723	
Debt service--Note E:		
Principal payments.....	7,528	3,330,000
Interest.....		1,641,983
<b>TOTAL EXPENDITURES</b>	<b>52,675,726</b>	<b>5,307,614</b>
<b>REVENUES OVER(UNDER) EXPENDITURES</b>	<b>(12,607,100)</b>	<b>(851,907)</b>
Other financing sources (uses):		
Proceeds from notes.....		6,145,000
Payment to refund bond escrow.....		(6,362,420)
Operating Transfers in (out):		
General Fund appropriation.....	13,099,194	
Transfers-In.....	1,564,586	4,461,026
Transfers-Out.....	(3,073,918)	(217,747)
<b>TOTAL OTHER FINANCING SOURCES(USES)</b>	<b>11,589,862</b>	<b>4,025,859</b>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(1,017,238)</b>	<b>3,173,952</b>
Fund balance (Deficit) at beginning of year.....	11,040,763	11,734,071
<b>FUND BALANCE AT END OF YEAR</b>	<b>\$ 10,023,525</b>	<b>\$ 14,908,023</b>

Fiscal Year Ended September 30, 2004	
Capital Projects	Total Nonmajor Governmental Funds
	\$ 9,190,301
	129,484
	234,776
\$ 98,426	4,656,323
	9,008,678
	12,150,144
	1,866,212
	3,693,325
	3,693,516
<u>98,426</u>	<u>44,622,759</u>
	2,154,804
	10,166,423
	9,443,703
	19,592,159
	7,006,071
	2,034,946
1,233,623	3,839,346
	3,337,528
	1,641,983
<u>1,233,623</u>	<u>59,216,963</u>
<u>(1,135,197)</u>	<u>(14,594,204)</u>
1,500,000	7,645,000
	(6,362,420)
185,201	13,284,395
963,379	6,988,991
(85,006)	(3,376,671)
<u>2,563,574</u>	<u>18,179,295</u>
1,428,377	3,585,091
132,638	22,907,472
<u>\$ 1,561,015</u>	<u>\$ 26,492,563</u>

**COMBINING  
FINANCIAL STATEMENTS**

---

**NONMAJOR SPECIAL REVENUE FUNDS**



## NONMAJOR SPECIAL REVENUE FUNDS

**Accommodations Ordinance Tax** - to account for the collection of a five percent hotel room tax and subsequent disbursement of such revenues to the Flint Convention and Tourist Council and the Genesee County Parks and Recreation Department. Board of Commissioners resolution provides for use of such revenues to promote tourism and convention business.

**Administration of Justice** - to account for programs that provide support to local court activities within Genesee County. Financing is provided through various Federal and State grants and General Fund appropriations.

**Animal Shelter** - to account for the operations of the County's Animal Shelter facility. Financing is provided through appropriations from General Fund.

**Child Care** - to account for court ordered expenses for the health and welfare of minor children. Financing is provided by General Fund appropriations and State matching of certain eligible costs.

**Community Development** - to account for Housing and Urban Development grant awards that are allocated to all local units of government (excluding City of Flint) for projects benefiting low and moderate income persons or projects defined as having an urgent need.

**Community Enrichment and Development** - to account for small grants providing for activities that support community development. Financing is provided through various Federal and State grants and General Fund appropriations.

**Drug Forfeiture** - to account for local share of funds received as a result of seizures made in the arrest and prosecution of criminal drug cases in Genesee County.

**Law Enforcement** - to account for programs designated for the support of local law enforcement efforts in Genesee County. Financing is provided through various Federal and State grants and General Fund appropriations.

**Paramedics** - to account for the costs of providing advanced emergency medical services. Financing is provided by an annual property tax levy.

**Parks and Recreation** - to account for the operations and maintenance of County owned parks and facilities, exclusive of Parks & Recreation Enterprise Fund. Financing is provided by General Fund appropriations, an annual property tax levy, and charges for services of operating the parks.

**Planning Commission** - to account for the planning and information gathering activities undertaken to improve city or county maintained roads, relieve local unemployment, or other related activities which benefit county residents. Financing is provided by State and Federal grants and General Fund appropriations.

**Social Services** - to account for the costs of providing financial assistance to County residents who cannot meet basic requirements for personal needs, shelter, and medical care. Financing is provided by the Michigan Department of Social Services and General Fund appropriations.

**Township Police Support Services** - to account for the costs pertaining to township police services performed by the Genesee County Sheriff's Department. Financing is provided primarily by the townships utilizing the service on a cost reimbursement basis.

# COMBINING BALANCE SHEET -- NONMAJOR SPECIAL REVENUE FUNDS

GENESEE COUNTY

Exhibit D-1

	Accommodation Ordinance Tax	Administration of Justice	Animal Shelter
<b>ASSETS</b>			
Cash and cash equivalents.....	\$ 318,850	\$ 210,583	\$ 68,411
Investments.....	65,186	43,052	13,986
Interest and accounts receivable.....		1,655	
Due from other governmental units.....		2,149,410	
Due from other County funds.....		2,755	
Supplies inventory.....			
Other assets.....			
<b>TOTAL ASSETS</b>	<b>\$ 384,036</b>	<b>\$ 2,407,455</b>	<b>\$ 82,397</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable.....	\$ 287,152	\$ 149,817	\$ 16,326
Accrued payroll.....		237,969	17,027
Other accrued liabilities and deposits.....		860,113	
Due to other governmental units.....			
Due to other County funds.....	96,884	364,731	6,354
Deferred revenue.....		5,879	
<b>TOTAL LIABILITIES</b>	<b>384,036</b>	<b>1,618,509</b>	<b>39,707</b>
<b>Fund balances:</b>			
Unreserved:			
Designated for programs.....		788,946	42,690
Undesignated.....			
<b>TOTAL FUND BALANCES</b>	<b>0</b>	<b>788,946</b>	<b>42,690</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 384,036</b>	<b>\$ 2,407,455</b>	<b>\$ 82,397</b>

September 30, 2004

Child Care	Community Development	Community Enrichment and Development	Drug Forfeiture	Law Enforcement	Paramedics
\$ 594,641	\$ 254,603	\$ 990,754	\$ 675,474		\$ 3,691,682
121,569	52,051	202,550	138,094		754,730
		4,533	454	\$ 3,475	
198,228	326,627	1,390,234		723,030	
112,099				23,543	
		55,148			
<u>\$ 1,026,537</u>	<u>\$ 633,281</u>	<u>\$ 2,643,219</u>	<u>\$ 814,022</u>	<u>\$ 750,048</u>	<u>\$ 4,446,412</u>
\$ 392,808	\$ 80,749	\$ 206,361	\$ 22,130	\$ 84,821	\$ 38,350
30,699		3,189	5,886	66,411	111,002
		1,137,000			
250,421	382,997				
58,585	156,751			214,543	377,410
	12,784	85,826	99,481	13,978	
<u>732,513</u>	<u>633,281</u>	<u>1,432,376</u>	<u>127,497</u>	<u>379,753</u>	<u>526,762</u>
294,024		56,257	686,525	370,295	3,919,650
		1,154,586			
<u>294,024</u>	<u>0</u>	<u>1,210,843</u>	<u>686,525</u>	<u>370,295</u>	<u>3,919,650</u>
<u>\$ 1,026,537</u>	<u>\$ 633,281</u>	<u>\$ 2,643,219</u>	<u>\$ 814,022</u>	<u>\$ 750,048</u>	<u>\$ 4,446,412</u>

(Continued)

# COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS - CONTINUED

GENESEE COUNTY

Exhibit D-1 Continued

	Parks and Recreation	Planning Commission	Social Services
<b>ASSETS</b>			
Cash and cash equivalents.....		\$ 3,977	\$ 172,307
Investments.....	\$ 1,916,684	813	35,227
Interest and accounts receivable.....	111,622	75,727	
Due from other governmental units.....		492,686	409,194
Due from other County funds.....	96,884	148,261	
Supplies inventory.....	224,192		
Other assets.....			
<b>TOTAL ASSETS</b>	<b>\$ 2,349,382</b>	<b>\$ 721,464</b>	<b>\$ 616,728</b>
<b>LIABILITIES AND FUND BALANCES</b>			
Accounts payable.....	\$ 165,207	\$ 61,285	\$ 64,853
Accrued payroll.....	132,347		
Other accrued liabilities and deposits.....		48,608	
Due to other governmental units.....	1,939		267,000
Due to other County funds.....	152,797	82,986	
Deferred revenue.....			
<b>TOTAL LIABILITIES</b>	<b>452,290</b>	<b>192,879</b>	<b>331,853</b>
<b>Fund balances:</b>			
Unreserved:			
Designated for programs.....	491,196	282,524	26,501
Undesignated.....	1,405,896	246,061	258,374
<b>TOTAL FUND BALANCES</b>	<b>1,897,092</b>	<b>528,585</b>	<b>284,875</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 2,349,382</b>	<b>\$ 721,464</b>	<b>\$ 616,728</b>

September 30, 2004

Township Police Support Services	Total
	\$ 6,981,282
	3,343,942
	197,466
\$ 373,112	6,062,521
	383,542
	224,192
185	55,333
<u>\$ 373,297</u>	<u>\$ 17,248,278</u>

\$ 182	\$ 1,570,041
50,714	655,244
	2,045,721
	902,357
322,401	1,833,442
	217,948
<u>373,297</u>	<u>7,224,753</u>

	6,958,608
	3,064,917
<u>0</u>	<u>10,023,525</u>
<u>\$ 373,297</u>	<u>\$ 17,248,278</u>

# COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -- SPECIAL REVENUE FUNDS

GENESEE COUNTY

Exhibit D-2

	Accommodation Ordinance Tax	Administration of Justice	Animal Shelter
Revenues:			
Taxes.....	\$ 1,243,471		
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....			
Federal grants.....		\$ 4,231,501	
State grants.....		4,141,987	
Other intergovernmental revenue.....			
Charges for services.....		266,180	
Other.....		25,689	
TOTAL REVENUES	1,243,471	8,665,357	\$ 0
Expenditures:			
Current Operations:			
Management and planning.....			
Administration of justice.....		10,166,423	
Law enforcement and community protection.....			1,014,934
Human services.....			
Community enrichment and development.....	932,603		
Other.....			
Capital outlay.....			8,702
Debt Service:			
Principal Payments.....			
TOTAL EXPENDITURES	932,603	10,166,423	1,023,636
REVENUES OVER (UNDER) EXPENDITURES	310,868	(1,501,066)	(1,023,636)
Other financing sources (uses):			
Transfers in (out):			
General Fund appropriations.....		1,412,130	1,018,636
Transfers-In.....			5,000
Transfers-Out.....	(310,868)	(108,927)	
TOTAL OTHER FINANCING SOURCES (USES)	(310,868)	1,303,203	1,023,636
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	(197,863)	0
Fund balances at beginning of year.....	0	986,809	42,690
FUND BALANCES AT END OF YEAR	\$ 0	\$ 788,946	\$ 42,690

Fiscal Year Ended September 30, 2004

Child Care	Community Development	Community Enrichment and Development	Drug Forfeiture	Law Enforcement	Paramedics
					\$ 4,060,374
			\$ 234,776	\$ 121,944	61,953
\$ 65,204	\$ 2,696,317	\$ 281,332		946,894	
4,346,402		180,292		1,128,488	
254,624		30,000			
571,696		657,870		17,289	
	317,890	2,468,541	19,350	307,849	1,500
<u>5,237,926</u>	<u>3,014,207</u>	<u>3,618,035</u>	<u>254,126</u>	<u>2,522,464</u>	<u>4,123,827</u>
14,641,887	3,014,207		351,720	2,622,198	3,878,331
		2,397,942			
		1,350,745		265,920	103,072
<u>14,641,887</u>	<u>3,014,207</u>	<u>3,748,687</u>	<u>351,720</u>	<u>2,888,118</u>	<u>7,528</u>
<u>(9,403,961)</u>	<u>0</u>	<u>(130,652)</u>	<u>(97,594)</u>	<u>(365,654)</u>	<u>134,896</u>
8,996,385		193,973		365,678	
(40,000)				8,927	
<u>8,956,385</u>	<u>0</u>	<u>193,973</u>	<u>0</u>	<u>374,605</u>	<u>0</u>
(447,576)	0	63,321	(97,594)	8,951	134,896
<u>741,600</u>	<u>0</u>	<u>1,147,522</u>	<u>784,119</u>	<u>361,344</u>	<u>3,784,754</u>
<u>\$ 294,024</u>	<u>\$ 0</u>	<u>\$ 1,210,843</u>	<u>\$ 686,525</u>	<u>\$ 370,295</u>	<u>\$ 3,919,650</u>

(Continued)

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -- SPECIAL REVENUE FUNDS -- CONTINUED**

**GENESEE COUNTY**

**Exhibit D-2 Continued**

	<b>Parks and Recreation</b>	<b>Planning Commission</b>	<b>Social Services</b>
<b>Revenues:</b>			
Taxes.....	\$ 3,886,456	\$ 7,540	
Licenses and permits.....			
Fines and forfeitures.....			
Use of money and property.....	40,237		
Federal grants.....	245,274	542,156	
State grants.....	9,300	267,060	\$ 2,076,615
Other intergovernmental revenue.....			
Charges for services.....	1,209,019	971,271	
Other.....	477,842	57,116	17,739
<b>TOTAL REVENUES</b>	<u>5,868,128</u>	<u>1,845,143</u>	<u>2,094,354</u>
<b>Expenditures:</b>			
<b>Current Operations:</b>			
Management and planning.....		2,154,804	
Administration of justice.....			
Law enforcement and community protection.....			
Human services.....			1,936,065
Community enrichment and development.....	3,675,526		
Other.....	1,699,315		
Capital outlay.....	865,738	6,478	
<b>Debt Service:</b>			
Principal Payments.....			
<b>TOTAL EXPENDITURES</b>	<u>6,240,579</u>	<u>2,161,282</u>	<u>1,936,065</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(372,451)</u>	<u>(316,139)</u>	<u>158,289</u>
<b>Other financing sources (uses):</b>			
<b>Transfers in (out):</b>			
General Fund appropriations.....	469,591	598,413	44,388
Transfers-In.....	1,550,659		
Transfers-Out.....	(2,554,123)	(60,000)	
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(533,873)</u>	<u>538,413</u>	<u>44,388</u>
<b>REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(906,324)</u>	<u>222,274</u>	<u>202,677</u>
Fund balances at beginning of year.....	2,803,416	306,311	82,198
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 1,897,092</u>	<u>\$ 528,585</u>	<u>\$ 284,875</u>



**Fiscal Year Ended September 30, 2004**

<b>Township Police Support Services</b>	<b>Total</b>
	\$ 9,190,301
	129,484
	234,776
	102,190
	9,008,678
	12,150,144
\$ 1,581,588	1,866,212
	3,693,325
	3,693,516
<u>1,581,588</u>	<u>40,068,626</u>
	2,154,804
	10,166,423
1,576,520	9,443,703
	19,592,159
	7,006,071
	1,699,315
5,068	2,605,723
	7,528
<u>1,581,588</u>	<u>52,675,726</u>
<u>0</u>	<u>(12,607,100)</u>
	13,099,194
	1,564,586
	(3,073,918)
<u>0</u>	<u>11,589,862</u>
0	(1,017,238)
0	11,040,763
<u>\$ 0</u>	<u>\$ 10,023,525</u>

**SCHEDULE OF REVENUES AND OTHER SOURCES -- BUDGET AND ACTUAL --  
NONMAJOR SPECIAL REVENUE FUNDS**

**GENESEE COUNTY**

**Exhibit D-3**

Fiscal Year Ended September 30, 2004			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>ACCOMMODATION ORDINANCE TAX</b>			
Taxes.....	\$ 1,010,000	\$ 1,243,471	\$ 233,471
<b>TOTALS</b>	<b>\$ 1,010,000</b>	<b>\$ 1,243,471</b>	<b>\$ 233,471</b>
<b>ADMINISTRATION OF JUSTICE</b>			
General Fund appropriation.....	\$ 1,387,130	\$ 1,387,130	\$ 0
Federal grants.....	4,485,267	4,231,501	(253,766)
State grants.....	4,204,777	4,141,987	(62,790)
Charges for services.....	309,327	310,737	1,410
Other.....	19,280	25,689	6,409
<b>TOTALS</b>	<b>\$ 10,405,781</b>	<b>\$ 10,097,044</b>	<b>\$ (308,737)</b>
<b>ANIMAL SHELTER</b>			
General Fund appropriation.....	\$ 1,028,532	\$ 1,018,636	\$ (9,896)
Other Transfers-In.....	5,000	5,000	0
<b>TOTALS</b>	<b>\$ 1,033,532</b>	<b>\$ 1,023,636</b>	<b>\$ (9,896)</b>
<b>CHILD CARE</b>			
General Fund appropriation.....	\$ 8,880,880	\$ 8,996,385	\$ 115,505
Federal grants.....	48,000	65,204	17,204
State grants.....	5,845,480	4,346,402	(1,499,078)
Other intergovernmental revenue.....		1,126,320	1,126,320
<b>TOTALS</b>	<b>\$ 14,774,360</b>	<b>\$ 14,534,311</b>	<b>\$ (240,049)</b>
<b>COMMUNITY DEVELOPMENT</b>			
Federal grants.....	\$ 2,696,317	\$ 2,696,317	\$ 0
Other.....	317,890	317,890	0
<b>TOTALS</b>	<b>\$ 3,014,207</b>	<b>\$ 3,014,207</b>	<b>\$ 0</b>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>			
General Fund appropriation.....	\$ 234,648	\$ 197,723	\$ (36,925)
Federal grants.....	306,709	281,332	(25,377)
State grants.....	165,979	180,292	14,313
Charges for services.....	1,047,163	657,870	(389,293)
Other intergovernmental revenue.....		30,000	30,000
Other.....	1,105,843	2,464,791	1,358,948
Other Transfers-In.....	20,388		(20,388)
<b>TOTALS</b>	<b>\$ 2,880,730</b>	<b>\$ 3,812,008</b>	<b>\$ 931,278</b>
<b>DRUG FORFEITURES</b>			
Fines and forfeitures.....	\$ 48,413	\$ 234,776	\$ 186,363
Other.....	19,350	19,350	0
<b>TOTALS</b>	<b>\$ 67,763</b>	<b>\$ 254,126</b>	<b>\$ 186,363</b>

**Fiscal Year Ended September 30, 2004**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget- Positive (Negative)</b>
<b>LAW ENFORCEMENT</b>			
General Fund appropriation.....	\$ 389,678	\$ 389,178	\$ (500)
Licenses and permits.....	125,195	121,944	(3,251)
Federal grants.....	1,028,137	946,894	(81,243)
State grants.....	1,170,540	1,128,488	(42,052)
Charges for services.....	500	17,289	16,789
Other intergovernmental revenue.....			0
Other.....	281,402	284,349	2,947
Other Transfers-In.....	8,927	17,000	8,073
<b>TOTALS</b>	<b>\$ 3,004,379</b>	<b>\$ 2,905,142</b>	<b>\$ (99,237)</b>
<b>PARAMEDICS</b>			
Taxes.....	\$ 3,668,307	\$ 4,060,374	\$ 392,067
Use of money and property.....	0	61,953	61,953
Other Transfers-In.....	1,500	1,500	0
<b>TOTALS</b>	<b>\$ 3,669,807</b>	<b>\$ 4,123,827</b>	<b>\$ 454,020</b>
<b>PARKS AND RECREATION</b>			
General Fund appropriation.....	\$ 469,591	\$ 469,591	\$ 0
Taxes.....	4,878,352	3,886,456	(991,896)
Use of money and property.....		40,237	40,237
Federal grants.....		245,274	245,274
State grants.....		9,300	9,300
Charges for services.....	890,350	1,209,019	318,669
Other.....	622,958	477,842	(145,116)
Other Transfers-In.....		1,550,659	1,550,659
<b>TOTALS</b>	<b>\$ 6,861,251</b>	<b>\$ 7,888,378</b>	<b>\$ 1,027,127</b>
<b>PLANNING COMMISSION</b>			
General Fund appropriation.....	\$ 623,413	\$ 623,413	\$ 0
Licenses and permits.....		7,540	7,540
Federal grants.....	792,842	542,156	(250,686)
State grants.....	146,800	267,060	120,260
Charges for services.....	1,058,583	971,271	(87,312)
Other.....	55,000	32,116	(22,884)
<b>TOTALS</b>	<b>\$ 2,676,638</b>	<b>\$ 2,443,556</b>	<b>\$ (233,082)</b>
<b>SOCIAL SERVICES</b>			
General Fund appropriation.....	\$ 44,388	\$ 44,388	\$ 0
State grants.....	2,076,615	2,076,615	0
Other.....	17,739	17,739	0
<b>TOTALS</b>	<b>\$ 2,138,742</b>	<b>\$ 2,138,742</b>	<b>\$ 0</b>
<b>TOWNSHIP POLICE SUPPORT SERVICES</b>			
Other intergovernmental revenue.....	\$ 1,473,319	\$ 1,581,588	\$ 108,269
<b>TOTALS</b>	<b>\$ 1,473,319</b>	<b>\$ 1,581,588</b>	<b>\$ 108,269</b>

**SCHEDULE OF EXPENDITURES AND OTHER USES -- BUDGET AND ACTUAL --  
NONMAJOR SPECIAL REVENUE FUNDS**

**GENESEE COUNTY**

**Exhibit D-4**

Fiscal Year Ended September 30, 2004			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget Positive (Negative)
<b>ACCOMMODATION ORDINANCE TAX</b>			
Supplies and services.....	\$ 761,000	\$ 932,603	\$ (171,603)
Transfer to Parks and Recreation.....	249,000	310,868	(61,868)
<b>TOTALS</b>	<b>\$ 1,010,000</b>	<b>\$ 1,243,471</b>	<b>\$ (233,471)</b>
<b>ADMINISTRATION OF JUSTICE</b>			
Personnel services.....	\$ 5,538,087	\$ 5,468,708	\$ 69,379
Fringe benefits.....	2,576,989	2,456,980	120,009
Supplies and services.....	2,419,486	2,229,080	190,406
Other.....	11,952	11,655	297
Capital outlay.....	53,098	0	53,098
Other transfers-out.....		108,927	(108,927)
<b>TOTALS</b>	<b>\$ 10,599,612</b>	<b>\$ 10,275,350</b>	<b>\$ 324,262</b>
<b>ANIMAL SHELTER</b>			
Personnel services.....	\$ 459,997	\$ 469,558	\$ (9,561)
Fringe benefits.....	241,637	217,951	23,686
Supplies and services.....	326,823	327,425	(602)
Capital outlay.....	5,075	8,702	(3,627)
<b>TOTALS</b>	<b>\$ 1,033,532</b>	<b>\$ 1,023,636</b>	<b>\$ 9,896</b>
<b>CHILD CARE</b>			
Foster care.....	\$ 1,161,063	\$ 691,538	\$ 469,525
Private institutional care.....	6,906,637	7,213,771	(307,134)
Juvenile detention center.....	3,742,063	3,141,456	600,607
Training schools.....	3,339,600	3,595,122	(255,522)
Other transfers-out.....	40,000	40,000	0
<b>TOTALS</b>	<b>\$ 15,189,363</b>	<b>\$ 14,681,887</b>	<b>\$ 507,476</b>
<b>COMMUNITY DEVELOPMENT</b>			
Supplies and services.....	\$ 638,040	\$ 638,040	\$ 0
Program grants.....	2,376,167	2,376,167	0
<b>TOTALS</b>	<b>\$ 3,014,207</b>	<b>\$ 3,014,207</b>	<b>\$ 0</b>
<b>COMMUNITY ENRICHMENT AND DEVELOPMENT</b>			
Personnel services.....	\$ 243,577	\$ 278,079	\$ (34,502)
Fringe benefits.....	95,012	117,257	(22,245)
Supplies and services.....	1,442,410	583,443	858,967
Other.....	34,645	1,419,163	(1,384,518)
Capital outlay.....	1,356,954	1,350,745	6,209
<b>TOTALS</b>	<b>\$ 3,172,598</b>	<b>\$ 3,748,687</b>	<b>\$ (576,089)</b>

(Continued)

**SCHEDULE OF EXPENDITURES AND OTHER USES -- BUDGET AND ACTUAL --  
NONMAJOR SPECIAL REVENUE FUNDS -- CONTINUED**

**GENESEE COUNTY**

Fiscal Year Ended September 30, 2004			
	Original and Final Budgeted Amounts	Actual	Variance with Final Budget- Positive (Negative)
<b>DRUG FORFEITURES</b>			
Personnel services.....	\$ 93,174	\$ 175,188	\$ (82,014)
Fringe benefits.....	38,786	69,601	(30,815)
Supplies and services.....	1,265	68,188	(66,923)
Capital outlay.....		38,743	(38,743)
<b>TOTALS</b>	<b>\$ 133,225</b>	<b>\$ 351,720</b>	<b>\$ (218,495)</b>
<b>LAW ENFORCEMENT</b>			
Personnel services.....	\$ 1,270,150	\$ 1,274,869	\$ (4,719)
Fringe benefits.....	536,550	518,336	18,214
Supplies and services.....	574,877	635,943	(61,066)
Other.....		193,050	(193,050)
Capital outlay.....	312,713	265,920	46,793
<b>TOTALS</b>	<b>\$ 2,694,290</b>	<b>\$ 2,888,118</b>	<b>\$ (193,828)</b>
<b>PARAMEDICS</b>			
Personnel services.....	\$ 1,930,213	\$ 2,251,652	\$ (321,439)
Fringe benefits.....	994,038	1,046,096	(52,058)
Supplies and services.....	604,817	580,583	24,234
Capital outlay.....	128,870	103,072	25,798
Debt service.....	11,869	7,528	4,341
<b>TOTALS</b>	<b>\$ 3,669,807</b>	<b>\$ 3,988,931</b>	<b>\$ (319,124)</b>
<b>PARKS AND RECREATION</b>			
Personnel services.....	\$ 2,419,343	\$ 2,680,631	\$ (261,288)
Fringe benefits.....	694,397	706,982	(12,585)
Supplies and services.....	2,386,303	287,913	2,098,390
Other.....	1,281,208	1,699,315	(418,107)
Capital outlay.....	80,000	865,738	(785,738)
Other transfers-out.....		2,554,123	(2,554,123)
<b>TOTALS</b>	<b>\$ 6,861,251</b>	<b>\$ 8,794,702</b>	<b>\$ (1,933,451)</b>
<b>PLANNING COMMISSION</b>			
Personnel services.....	\$ 1,014,951	\$ 924,614	\$ 90,337
Fringe benefits.....	808,264	748,222	60,042
Supplies and services.....	847,225	481,968	365,257
Capital outlay.....	6,200	6,478	(278)
Other transfers-out.....		60,000	60,000
<b>TOTALS</b>	<b>\$ 2,676,640</b>	<b>\$ 2,221,282</b>	<b>\$ 575,358</b>
<b>SOCIAL SERVICES</b>			
State programs.....	\$ 1,936,065	\$ 1,936,065	\$ 0
Other transfers-out.....	0	0	0
<b>TOTALS</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>
<b>TOWNSHIP POLICE SUPPORT SERVICES</b>			
Personnel services.....	\$ 873,221	\$ 962,992	\$ (89,771)
Fringe benefits.....	451,198	475,338	(24,140)
Supplies and services.....	8,000	4,493	3,507
Other.....	138,400	133,697	4,703
Capital outlay.....	2,500	5,068	(2,568)
<b>TOTALS</b>	<b>\$ 1,473,319</b>	<b>\$ 1,581,588</b>	<b>\$ (108,269)</b>

**COMBINING  
FINANCIAL STATEMENTS**

---

**DEBT SERVICE FUNDS**

## DEBT SERVICE FUNDS

**Administration Building** - To account for residual fund balance resulting after final payment of debt used to construct the County Administration Building under a lease-purchase arrangement with the Genesee County Building Authority.

**Burton Clinic** - To account for the funding and payment of principal and interest on debt issued to finance the construction of the new Burton Health Center Clinic, under a lease-purchase agreement with the Genesee County Building Authority.

**Capital Improvement** - To account for the funding and payment of principal and interest on debt issued to finance the rehabilitation of residential structures.

**Courthouse Square** - To account for the funding and payment of principal and interest on debt issued to finance construction of the new addition and the renovations needed to the Genesee County Courthouse, under a lease-purchase agreement with the Genesee County Building Authority.

**GCCARD General Building Fund** - To account for the funding and payment of principal and interest on debt issued to finance construction of the GCCARD General Building, under a lease-purchase agreement with the Genesee County Building Authority.

**GCCARD** - To account for the funding and payment of principal and interest on debt issued to finance renovation of Genesee County Community Action Resource Department, under a lease-purchase agreement with the Genesee county Building Authority.

**District Court Buildings** - To account for the funding and payment of principal and interest on debt issued to finance the construction of the Burton and Grand Blanc District Court buildings, under a lease-purchase arrangement with the Genesee County Building Authority.

**Jail Facility** - To account for the funding and payment of principal and interest on debt issued to finance construction of a jail facility, under a lease-purchase agreement with the Genesee County Building Authority.

**McCree North Facility** - To account for the funding and payment of principal and interest on debt issued to finance the renovation of the former McCree Theater, under a lease-purchase arrangement with the Genesee County Building Authority.

**McCree South Facility** - To account for the funding and payment of principal and interest on debt issued to finance the purchase and renovation of the former Wards Building under a lease-purchase arrangement with the Genesee County Building Authority.

**Post Retirement Benefits** - To account for funds set aside in previous years and cost savings related to a lower cost Defined Contribution Plan with the intent to accumulate adequate funds to defray part of the cost of retiree medical benefits in future years. This fund was transferred to a VEBA in late 2004 with the intent of using these dollars for the compliance with the new GASB OPED requirements.

**1998 Refinancing** - To account for the debt service related to the Series 1998 General Obligation Bonds issued to advance refund various other bond issues.

# COMBINING BALANCE SHEET -- DEBT SERVICE FUNDS

GENESEE COUNTY

Exhibit E-1

	Administration Building	Burton Clinic	Capital Improvement	Courthouse Square
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 53,826	\$ 11,476		\$ 84,364
Investments.....				
Due from other governmental units.....				
<b>TOTAL ASSETS</b>	<u>\$ 53,826</u>	<u>\$ 11,476</u>	<u>\$ 0</u>	<u>\$ 84,364</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable.....				
Due to other funds.....				
<b>TOTAL LIABILITIES</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
<b>Fund balances:</b>				
Unreserved:				
Designated for programs and debt service.....	53,826	11,476		84,364
Undesignated.....				
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<u>53,826</u>	<u>11,476</u>	<u>0</u>	<u>84,364</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 53,826</u>	<u>\$ 11,476</u>	<u>\$ 0</u>	<u>\$ 84,364</u>



September 30, 2004

GCCARD General Building Fund	GCCARD	Jail Facility	McCree South Facility	Post Retirement Benefits	1998 Refinancing	Total
	\$ 73,779			\$ 3,511,250 11,414,146	\$ 2,690	\$ 3,737,385 11,414,146
<u>\$ 0</u>	<u>\$ 73,779</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,925,396</u>	<u>\$ 2,690</u>	<u>\$ 15,151,531</u>
\$ 13,703 229,805 243,508						\$ 13,703 229,805 243,508
	\$ 0	\$ 0	0	0	0	243,508
(243,508)	73,779			14,925,396	2,690	14,908,023 0
(243,508)	73,779	0	0	14,925,396	2,690	14,908,023
<u>\$ 0</u>	<u>\$ 73,779</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 14,925,396</u>	<u>\$ 2,690</u>	<u>\$ 15,151,531</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -- DEBT SERVICE FUNDS**

**GENESEE COUNTY**

**Exhibit E-2**

	Administration Building	Burton Clinic	Capital Improvement	Courthouse Square
Revenues:				
Use of money and property.....	\$ 358			
TOTAL REVENUES	358	\$ 0	\$ 0	\$ 0
Expenditures:				
Current Operations:				
Other.....	3,786	275		550
Debt Service:				
Principal Payments.....		170,000		950,000
Interest and Fiscal Charges.....		64,732	8,244	1,100,861
TOTAL EXPENDITURES	3,786	235,007	8,244	2,051,411
REVENUES OVER (UNDER) EXPENDITURES	(3,428)	(235,007)	(8,244)	(2,051,411)
Other financing sources (uses):				
Proceeds From Refunding Bonds.....				
Payment To Ref Bond Escrow.....				
Transfers in (out):				
Transfers-Out.....				
Transfers-In.....		235,007	8,244	2,082,985
TOTAL OTHER FINANCING SOURCES (USES)	0	235,007	8,244	2,082,985
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,428)	0	0	31,574
Fund balances at beginning of year.....	57,254	11,476	0	52,790
FUND BALANCES (DEFICITS) AT END OF YEAR	\$ 53,826	\$ 11,476	\$ 0	\$ 84,364

Fiscal Year Ended September 30, 2004

GCCARD General Building Fund	GCCARD	Jail Facility	McCree South Facility	Post Retirement Benefits	1998 Refinancing	Total
\$ 372,387			\$ 572,747	\$ 3,324,384	\$ 185,831	\$ 4,455,707
372,387	\$ 0	\$ 0	572,747	3,324,384	185,831	4,455,707
395,312	275	500	(65,367)		300	335,631
	90,000	795,000	885,000		440,000	3,330,000
	127,472	36,570	192,262		111,842	1,641,983
395,312	217,747	832,070	1,011,895	0	552,142	5,307,614
(22,925)	(217,747)	(832,070)	(439,148)	3,324,384	(366,311)	(851,907)
			6,145,000			6,145,000
			(6,362,420)			(6,362,420)
(217,747)						(217,747)
	279,841	832,070	656,568		366,311	4,461,026
(217,747)	279,841	832,070	439,148	0	366,311	4,025,859
(240,672)	62,094	0	0	3,324,384	0	3,173,952
(2,836)	11,685	0	0	11,601,012	2,690	11,734,071
\$ (243,508)	\$ 73,779	\$ 0	\$ 0	\$ 14,925,396	\$ 2,690	\$ 14,908,023

**COMBINING  
FINANCIAL STATEMENTS**  

---

**CAPITAL PROJECT FUNDS**

## **CAPITAL PROJECT FUNDS**

**Capital Improvement** - To account for the residual proceeds from various capital projects initiated in prior years.

**Courthouse Square** - To account for the funding proceeds and project costs related to the renovation and development of the Courthouse Square project.

**Fenton Court** - To account for the funding proceeds and project costs related to the renovation and development of Court facilities in the City of Fenton.

**Flushing Court** - To account for the funding proceeds and project costs related to the renovation and development of Court facilities in the City of Flushing.

**GCCARD Facility** - To account for the funding proceeds and project costs related to the improvement of various Genesee County Community Action Resource Department facilities.

**Hughes & Hatcher** - To account for the funding proceeds and project costs related to the renovation and development of the Land Bank facilities.

**Jail Site Remediation** - To account for the funding proceeds and project costs related to the remedial activities at the contaminated jail site.

**Land Reutilization Council** - To account for the funding proceeds and project costs related to the rehabilitation of residential structures.

**McCree Center** - To account for the funding proceeds and project costs related to the improvement of McCree Courts and Human Services Building.

# COMBINING BALANCE SHEET -- CAPITAL PROJECT FUNDS

GENESEE COUNTY

Exhibit F-1

	Capital Improvement	Courthouse Square	Fenton Court	Flushing Court
<b>ASSETS</b>				
Cash and cash equivalents.....	\$ 226,822	\$ 366,246	\$ 199,275	
Investments.....				
Interest and accounts receivable.....				
Due from other County funds.....			185,201	
<b>TOTAL ASSETS</b>	<u>\$ 226,822</u>	<u>\$ 366,246</u>	<u>\$ 384,476</u>	<u>\$ 0</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Accounts payable.....			100	
Other accrued liabilities and deposits.....			\$ 384,376	
Due to other County funds.....				
<b>TOTAL LIABILITIES</b>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 384,476</u>	<u>\$ 0</u>
<b>Fund balances (deficits):</b>				
Reserved for:				
Burton Clinic Project.....				
Courthouse Square Project.....		366,246		
Fenton Court Project.....				
Flushing Court Project.....				
GCCARD Facility Project.....				
Hughes & Hatcher Project.....				
LRC Rehab Project.....				
McCree Center Project.....				
Jail Site Remediation Project.....				
Unreserved:				
Undesignated.....	226,822			
<b>TOTAL FUND BALANCES(DEFICITS)</b>	<u>226,822</u>	<u>366,246</u>	<u>0</u>	<u>0</u>
<b>TOTAL LIABILITIES AND FUND BALANCES (DEFICITS)</b>	<u>\$ 226,822</u>	<u>\$ 366,246</u>	<u>\$ 384,476</u>	<u>\$ 0</u>

September 30, 2004

GCCARD Facility	Hughes & Hatcher Center	Jail Site Remediation	LRC Rehab	McCree Center	Total
\$	\$	\$	\$ 1,182,525	\$	\$ 1,974,868
					0
					0
					185,201
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,182,525</u>	<u>\$ 0</u>	<u>\$ 2,160,069</u>
		\$ 1,796	45,352		\$ 47,248
	147,608	19,822			384,376
<u>\$ 0</u>	<u>\$ 147,608</u>	<u>21,618</u>	<u>\$ 45,352</u>	<u>\$ 0</u>	<u>167,430</u>
					599,054
					0
					366,246
					0
					0
					0
	(147,608)		1,137,173		(147,608)
					1,137,173
					0
					0
		(21,618)			205,204
<u>0</u>	<u>(147,608)</u>	<u>(21,618)</u>	<u>1,137,173</u>	<u>0</u>	<u>1,561,015</u>
<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,182,525</u>	<u>\$ 0</u>	<u>\$ 2,160,069</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES -- CAPITAL PROJECT FUNDS**

**GENESEE COUNTY**

**Exhibit F-2**

	<u>Capital Improvement</u>	<u>Courthouse Square</u>	<u>Fenton Court</u>	<u>Flushing Court</u>
Revenues:				
Use of money and property.....		\$ 4,294	\$ 65,365	
TOTAL REVENUES	\$ 0	4,294	65,365	\$ 0
Expenditures:				
Current Operations:				
Capital outlay.....		623,302	10,045	
TOTAL EXPENDITURES	0	623,302	10,045	0
REVENUES OVER (UNDER) EXPENDITURES	0	(619,008)	55,320	0
Other financing sources (uses):				
Transfers in (out):				
Proceeds from notes.....			185,201	
Appropriations.....				
Transfers-In.....		900,000		
Transfers-Out.....				(3,668)
TOTAL OTHER FINANCING SOURCES (USES)	0	900,000	185,201	(3,668)
REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	0	280,992	240,521	(3,668)
Fund balance (deficit) at beginning of year.....	226,822	85,254	(240,521)	3,668
FUND BALANCE (DEFICIT) AT END OF YEAR	\$ 226,822	\$ 366,246	\$ 0	\$ 0



Fiscal Year Ended September 30, 2004

GCCARD Facility	Hughes & Hatcher	Jail Site Remediation	LRC Rehab	McCree Center	Total
\$ 0	\$ 21,308	\$ 0	\$ 4,459	\$ 3,000	\$ 98,426
	21,308	0	4,459	3,000	98,426
	168,916	8,939	422,421		1,233,623
0	168,916	8,939	422,421	0	1,233,623
0	(147,608)	(8,939)	(417,962)	3,000	(1,135,197)
			1,500,000		1,500,000
			63,379		185,201
(62,094)			(8,244)	(11,000)	963,379
(62,094)	0	0	1,555,135	(11,000)	(85,006)
					2,563,574
(62,094)	(147,608)	(8,939)	1,137,173	(8,000)	1,428,377
62,094		(12,679)		8,000	132,638
\$ 0	\$ (147,608)	\$ (21,618)	\$ 1,137,173	\$ 0	\$ 1,561,015

**COMBINING  
FINANCIAL STATEMENTS**

---

**FIDUCIARY FUNDS**

## NON-MAJOR FIDUCIARY FUNDS

**Pension Trust Fund** - To account for the contributions to the defined benefit plan that provides for pension and disability benefits for substantially all Genesee County employees.

**Employee Unemployment Benefit Trust Fund** - To account for contributions made to the State of Michigan by Genesee County. The contributions will be paid by the State to employees in case of unemployment.

**Trust and Agency** - To account for funds held in collected and payable to outside Governmental Units and Companies.

**GENESEE COUNTY EMPLOYEES' FIDUCIARY FUNDS  
COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS**

**GENESEE COUNTY**

**Exhibit G-1**

	<b>Pension Trust Fund Retirement 12/31/03</b>
<b>ASSETS</b>	
Cash and cash equivalents.....	\$ 35,904,614
Receivables:	
Other receivables.....	9,848
Accrued interest and dividends.....	1,563,027
Due from other county funds.....	
<b>TOTAL RECEIVABLES</b>	<b>1,572,875</b>
Investments at fair value:	
U.S. Government securities.....	51,064,833
Foreign Govts. and Agencies.....	35,629,522
Corporate bonds.....	54,201,583
Common stocks.....	215,805,350
Preferred stocks.....	14,943,842
Mutual funds.....	12,241,701
Real Estate.....	7,857,337
<b>TOTAL INVESTMENTS</b>	<b>391,744,168</b>
<b>TOTAL ASSETS</b>	<b>429,221,657</b>
<b>LIABILITIES</b>	
Refunds payable and other liabilities.....	485,899
Accrued expenses.....	7,582
Due to other County funds.....	
<b>TOTAL LIABILITIES</b>	<b>493,481</b>
<b>NET ASSETS</b>	
Held in trust for pension benefits and other purposes.....	<b>\$ 428,728,176</b>

September 30, 2004		
Employee Unemployment Benefit Trust Fund	Total	Agency Trust and Agency
\$ 1,539,624	\$ 37,444,238	\$ 12,033,606
	9,848	334,934
	1,563,027	
		253,369
<u>1,539,624</u>	<u>39,017,113</u>	<u>12,621,909</u>
	51,064,833	
	35,629,522	
	54,201,583	
	215,805,350	6,524,641
	14,943,842	
	12,241,701	
	7,857,337	
<u>0</u>	<u>391,744,168</u>	<u>6,524,641</u>
<u>1,539,624</u>	<u>430,761,281</u>	<u>19,146,550</u>
621,163	1,107,062	18,654,561
	7,582	
		491,989
<u>621,163</u>	<u>1,114,644</u>	<u>19,146,550</u>
<u>\$ 918,461</u>	<u>\$ 429,646,637</u>	<u>\$ 0</u>

**GENESEE COUNTY  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**

**GENESEE COUNTY**

**Exhibit G-2**

	Pension Trust Fund Retirement 12/31/02
<b>ADDITIONS</b>	
Contributions:	
Employer.....	\$ 6,448,412
Plan members.....	2,263,639
Total contributions.....	8,712,051
Investment earnings:	
Net (decrease)	
in fair value of investments.....	68,174,647
Interest.....	7,097,930
Dividends.....	3,006,774
Total investment earnings.....	78,279,351
Less investment expense.....	1,819,722
Net investment earnings.....	76,459,629
Total additions.....	85,171,680
<b>DEDUCTIONS</b>	
Benefits.....	24,610,139
Refunds of contributions.....	300,685
Administrative expenses.....	377,858
Transfer to other funds.....	
Transfer to other pensions plans.....	1,183,757
Total deductions.....	26,472,439
Change in net assets.....	58,699,241
Net assets-beginning of the year.....	370,028,935
Net assets- end of the year.....	\$ 428,728,176

**Fiscal year ended September 30, 2004**

<b>Employee Unemployment Benefit Trust Fund</b>		<b>Total</b>	
\$	577,100	\$	7,025,512
			2,263,639
	<u>577,100</u>		<u>9,289,151</u>
			68,174,647
			7,097,930
			<u>3,006,774</u>
	0		78,279,351
			<u>1,819,722</u>
	0		76,459,629
	<u>577,100</u>		<u>85,748,780</u>
	433,269		25,043,408
			300,685
			377,858
	500,000		500,000
			<u>1,183,757</u>
	<u>933,269</u>		<u>27,405,708</u>
	(356,169)		58,343,072
	<u>1,274,630</u>		<u>371,303,565</u>
\$	<u>918,461</u>	\$	<u>429,646,637</u>

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
TRUST AND AGENCY FUNDS**

**GENESEE COUNTY**

**Exhibit G-3**

	<u>Balances</u> <u>October 1, 2003</u>
<b>TRUST AND AGENCY FUNDS</b>	
<b>ASSETS</b>	
Cash and cash equivalents.....	\$ 12,665,999
Investments.....	1,500,000
Accounts receivable.....	477,179
Due from other Governmental Units.....	(884)
Due from other county funds.....	56,709
	<u>\$ 14,699,003</u>
<b>LIABILITIES</b>	
Accounts Payable.....	\$ 138,908
Deposits.....	13,603,007
Due to other governmental units.....	376,627
Due to other County funds.....	574,763
	<u>\$ 14,693,305</u>
<b>LIBRARY PENAL FINES</b>	
<b>ASSETS</b>	
Cash and cash equivalents.....	\$ 128,012
Due from other county funds.....	48,877
	<u>\$ 176,889</u>
<b>LIABILITIES</b>	
Due to other governmental units.....	\$ 169,764
Due to other County funds.....	2,125
	<u>\$ 171,889</u>
<b>TOTALS ALL AGENCY FUNDS</b>	
<b>ASSETS</b>	
Cash and cash equivalents.....	\$ 12,794,011
Investments.....	1,500,000
Accounts receivable.....	477,179
Due from other Governmental Units.....	(884)
Due from other county funds.....	105,586
	<u>\$ 14,875,892</u>
<b>LIABILITIES</b>	
Accounts Payable.....	\$ 138,908
Deposits.....	13,603,007
Due to other governmental units.....	546,391
Due to other County funds.....	576,888
	<u>\$ 14,865,194</u>



Year Ended September 30, 2004

Additions	Deductions	Balances September 30, 2004
191,816,290	192,569,211	\$ 11,913,078
83,701,429	78,701,429	6,500,000
327,239	479,266	325,152
10,666		9,782
201,717	56,510	201,916
<u>276,057,341</u>	<u>271,806,416</u>	<u>\$ 18,949,928</u>
84,456,293	83,265,024	\$ 1,330,177
96,378,142	93,373,117	16,608,032
7,866,407	7,721,179	521,855
943,381	1,028,280	489,864
<u>189,644,223</u>	<u>185,387,600</u>	<u>\$ 18,949,928</u>
708,354	691,197	\$ 145,169
90,105	87,529	51,453
<u>798,459</u>	<u>778,726</u>	<u>\$ 196,622</u>
738,841	714,108	\$ 194,497
10,625	10,625	2,125
<u>749,466</u>	<u>724,733</u>	<u>\$ 196,622</u>
192,524,644	193,260,408	\$ 12,058,247
83,701,429	78,701,429	6,500,000
327,239	479,266	325,152
10,666		9,782
291,822	144,039	253,369
<u>276,855,800</u>	<u>272,585,142</u>	<u>\$ 19,146,550</u>
84,456,293	83,265,025	\$ 1,330,176
97,174,468	94,169,443	16,608,032
8,605,248	8,435,286	716,353
954,006	1,038,905	491,989
<u>191,190,015</u>	<u>186,908,659</u>	<u>\$ 19,146,550</u>

**COMBINING  
FINANCIAL STATEMENTS**

---

**INTERNAL SERVICE FUNDS**

## INTERNAL SERVICE FUNDS

### GENESEE COUNTY

#### ADMINISTRATIVE SERVICES

**Central Stores** - To account for the cost of office supplies purchased from an outside vendor. These costs are then spread to individual departments at actual costs.

**Administrative Copier** - To provide centralized financial control over most of the duplicating equipment used outside the Print Shop. Through the Purchasing Agent, efforts are made to ensure that this equipment is efficiently deployed, properly serviced, reasonably priced, and meets, but does not exceed, departmental needs.

**Print Shop** - To provide low-cost printing to operating departments with high volume printing needs. The Print Shop thus augments the volume copying capability of the Administrative Copier. All other printing needs are scheduled through the Print Shop. Print Shop costs are charged to user departments on a "per job" basis.

**Microfilm Division** - To provide reasonably priced microfilming service to operating departments in an effort to reduce the pressure on overcrowded storage facilities. Included in the division are various microfilm production and viewing machines plus the requisite staff and supplies for maintaining services to user departments.

**Corporation Counsel** - To advise the County and its departments on issues of a legal nature. Corporation Counsel is further responsible for advising the Board of Commissioners on the legality of proposed decisions or activities and for insuring the necessary County documents adhere to the prescribed legal formats and standards.

**Controller** - To prepare and maintain the County budget, the audit and payment of claims for goods and services to outside vendors and to employees, audit records and accounts of County departments, oversee the design and implementation of accounting and financial systems in the County, and other tasks that are assigned by the Board of Commissioners.

**Human Resources** - To maintain all County personnel records; recruiting, testing and hiring employees; administration of fringe benefit programs; and also conducting classification and compensation surveys. The Human Resources Department negotiates labor contracts with County bargaining units and is responsible for grievance resolution and contract administration.

**Purchasing** - To authorize all purchase orders of County departments. This includes seeking bids on appropriate items and services, as well as, assisting departments in finding vendors and suppliers of specific items. The Purchasing Agent also administers the county's printing and motor pool departments and is also responsible for the disposal of all used and obsolete items of no further use to the County.

**Data Processing** - To provide specific services to individual departments within County government and surrounding municipalities. These include processing of County and retirement payroll, child support checks, and supporting financial information, personnel history files, land descriptions, and delinquent and current tax information. The County Data Processing Department prepares tax rolls and tax bills for virtually all surrounding townships and cities. The cost of these services are charged on the basis of programming, central processor, and operator time incurred providing requested services.

#### **VEHICLES AND EQUIPMENT**

**Motor Pool** - To reduce travel expenses paid to employees who require the use of an automobile while conducting County business. Departments are charged on a per mile basis. Maintenance and gasoline services are also extended to various Government related organizations outside the County structure.

**Parks and Recreation Vehicle and Equipment** - To account for all activity relating to the operation of the Parks and Recreation motor pool. Other functions of this fund are to purchase, operate, and maintain equipment required for the efficient operation of the Parks and Recreation department.

**Telephone Fund** - To provide centralized control over all payments made to finance the acquisition of a County owned phone system and payments made to telephone companies. County departments are billed for phone calls made and charges for equipment on a per phone basis.

#### **BUILDING AND GROUNDS**

**Building and Grounds** - To provide for the maintenance and custodial services for all County owned buildings. It is also responsible for care of the grounds, landscape, and greenery around County owned buildings, as well as making all structural changes and facilitating the movement of furniture and fixtures.

#### **SELF FUNDED PROPERTY/CASUALTY PROGRAM**

**Self Funded Property/Casualty Program** - To initiate and oversees loss prevention and loss control activities to reduce losses, and to account for all applicable workers' compensation, auto, property, and liability claims.

# COMBINING BALANCE SHEET -- INTERNAL SERVICE FUNDS

GENESEE COUNTY

Exhibit H-1

	Administrative Services
<b>ASSETS</b>	
<b>CURRENT ASSETS</b>	
Cash and cash equivalents.....	
Investments.....	\$ 1,815,322
Interest and accounts receivable.....	1,569
Due from other governmental units.....	
Due from other county funds.....	4,655,883
Supplies inventory.....	15,562
Prepayments.....	
<b>TOTAL CURRENT ASSETS</b>	<b>6,488,336</b>
<b>PROPERTY AND EQUIPMENT</b>	
Land.....	
Buildings and improvements.....	
Equipment.....	12,665,120
<b>TOTAL PROPERTY AND EQUIPMENT</b>	<b>12,665,120</b>
Less allowances for depreciation.....	9,751,084
<b>TOTAL PROPERTY AND EQUIPMENT, NET</b>	<b>2,914,036</b>
<b>TOTAL ASSETS</b>	<b>\$ 9,402,372</b>
<b>LIABILITIES AND NET ASSETS</b>	
<b>CURRENT LIABILITIES</b>	
Accounts payable.....	\$ 180,689
Accrued payroll.....	119,412
Accrued vacation and other employee benefits.....	5,648,466
Other accrued liabilities and deposits.....	792
Due to other county funds.....	2,240,981
Current portion of notes/bonds payable.....	189,644
<b>TOTAL CURRENT LIABILITIES</b>	<b>8,379,984</b>
<b>LONG-TERM DEBT</b>	
General and workers compensation claim liability.....	
Notes/bonds payable exclusive of current portion.....	56,342
<b>TOTAL LONG-TERM DEBT</b>	<b>56,342</b>
<b>NET ASSETS</b>	
Reserved for:	
Invested in capital assets, net or related debt.....	427,069
Unrestricted .....	538,977
<b>TOTAL NET ASSETS</b>	<b>966,046</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 9,402,372</b>

September 30, 2004

Vehicles and Equipment	Building and Grounds	Self Funded Prop./Casualty Program	Total
		\$ 63,091	\$ 63,091
		9,229,906	11,045,228
\$ 7,755	\$ 11,091		20,415
	24,761		24,761
5,420	100,457		4,761,760
43,384			58,946
		361,894	361,894
56,559	136,309	9,654,891	16,336,095
131,033			131,033
176,430			176,430
11,400,533	1,491,236		25,556,889
11,707,996	1,491,236	0	25,864,352
7,376,400	634,779		17,762,263
4,331,596	856,457	0	8,102,089
\$ 4,388,155	\$ 992,766	\$ 9,654,891	\$ 24,438,184
\$ 22,442	\$ 111,654	\$ 49,272	\$ 364,057
5,237	50,588	3,830	179,067
			5,648,466
			792
2,737,607	240,671	1,464	5,220,723
27,272	106,922		323,838
2,792,558	509,835	54,566	11,736,943
		2,573,335	2,573,335
	367,251		423,593
0	367,251	2,573,335	2,996,928
1,566,717	115,680		2,109,466
28,880		7,026,990	7,594,847
1,595,597	115,680	7,026,990	9,704,313
\$ 4,388,155	\$ 992,766	\$ 9,654,891	\$ 24,438,184

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET ASSETS -- INTERNAL SERVICE FUNDS**

**GENESEE COUNTY**

**Exhibit H-2**

	<u>Administrative Services</u>
Operating revenues:	
Charges for services.....	\$ 7,407,459
TOTAL OPERATING REVENUES	<u>7,407,459</u>
Operating expenses:	
Salaries and fringe benefits.....	4,688,809
Supplies and other operating expenses.....	2,508,852
Depreciation.....	603,457
TOTAL OPERATING EXPENSES	<u>7,801,118</u>
OPERATING INCOME (LOSS)	<u>(393,659)</u>
Non-operating revenues (expenses):	
Interest income (loss).....	
Interest expense.....	
Gain (loss) on sale of property and equipment.....	
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>0</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(393,659)</u>
Transfers in (out):	
Transfers General Fund appropriation.....	44,484
Transfers-in.....	386,949
Transfers-out.....	(1,292,828)
TOTAL OPERATING TRANSFERS IN (OUT)	<u>(861,395)</u>
NET INCOME (LOSS)	<u>(1,255,054)</u>
Net Assets (deficit) at beginning of year.....	2,221,100
NET ASSETS AT END OF YEAR	<u>\$ 966,046</u>

ical Year Ended September 30, 2004

ehicles and Equipment	Building and Grounds	Self Funded Prop./Casualty Program	Total
1,898,265	\$ 8,755,149	\$ 1,962,130	\$ 20,023,003
1,898,265	8,755,149	1,962,130	20,023,003
255,453	1,937,996	95,494	6,977,752
1,149,067	3,471,834	2,829,757	9,959,510
537,461	26,097		1,167,015
1,941,981	5,435,927	2,925,251	18,104,277
(43,716)	3,319,222	(963,121)	1,918,726
		609,686	609,686
			0
0	0	609,686	609,686
(43,716)	3,319,222	(353,435)	2,528,412
3,309	25,298		73,091
355,000	100,000	64,970	906,919
	(3,655,476)	(31,022)	(4,979,326)
358,309	(3,530,178)	33,948	(3,999,316)
314,593	(210,956)	(319,487)	(1,470,904)
1,281,004	326,636	7,346,477	11,175,217
1,595,597	\$ 115,680	\$ 7,026,990	\$ 9,704,313



# **COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS**

**GENESEE COUNTY**

**Exhibit H-3**

	<u>Administrative Services</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers.....	\$ 7,436,991
Cash payments to suppliers for goods and services.....	(2,435,533)
Cash payments to employees for services.....	(4,980,348)
<b>NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>	<u>21,110</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Advances to other governmental units, County units and funds.....	(297,417)
Repayments from other governmental units, County units and funds.....	117,964
Transfers-in from other funds.....	2,586,758
Transfers-out to other funds.....	(1,675,569)
<b>NET CASH PROVIDED BY (USED FOR) NONCAPITAL FINANCING ACTIVITIES</b>	<u>731,736</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Proceeds from sale of long-term debt.....	
Acquisition and construction of capital assets.....	(136,914)
Principal paid on long-term debt.....	(247,727)
Interest paid on long-term debt.....	
Proceeds from sale of equipment.....	
<b>NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(384,641)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Purchase of investment securities.....	(368,205)
Proceeds from sale and maturities of investment securities.....	
Interest and dividends on investments.....	
<b>NET CASH PROVIDED BY (USED FOR) IN INVESTING ACTIVITIES</b>	<u>(368,205)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>0</u>
Cash and cash equivalents at beginning of year.....	
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u><u>\$ 0</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>	
Operating income(loss).....	\$ (393,659)
Adjustments to reconcile operating income(loss) to net cash provided by (used for) operating activities:	
Depreciation.....	603,457
Change in assets and liabilities:	
(Increase) decrease in interest and accounts receivable.....	31,170
(Increase) decrease in supplies inventory.....	20,733
(Increase) decrease in prepayment and other current assets.....	31,022
Increase (decrease) in accounts payable and related items.....	21,564
Increase (decrease) in accrued payroll.....	(291,539)
Increase (decrease) in other accrued liabilities and deposits.....	
<b>Net cash provided by (used for) operating activities.....</b>	<u><u>\$ 22,748</u></u>

**Fiscal Year Ended September 30, 2004**

<b>Vehicle and Equipment</b>	<b>Building and Grounds</b>	<b>Self Funded Prop./Casualty Program</b>	<b>Total</b>
1,890,674	\$ 8,717,426	\$ 1,962,130	\$ 20,007,221
(1,198,344)	(3,556,782)	(2,723,470)	(9,914,129)
(262,981)	(1,930,169)	(94,737)	(7,268,235)
429,349	3,230,475	(856,077)	2,824,857
34,995		(560,352)	(822,774)
284,920	(21,262)		381,622
2,901,802	402,471	64,970	5,956,001
(2,882,233)	(3,655,476)	(31,022)	(8,244,300)
339,484	(3,274,267)	(526,404)	(2,729,451)
			0
(697,092)			(834,006)
(71,741)	(101,464)		(420,932)
			0
			0
(768,833)	(101,464)	0	(1,254,938)
		(5,460,348)	(5,828,553)
		6,456,298	6,456,298
		355,268	355,268
0	0	1,351,218	983,013
0	(145,256)	(31,263)	(176,519)
	145,256	94,354	239,610
0	\$ 0	\$ 63,091	\$ 63,091
(43,716)	\$ 3,319,222	\$ (963,121)	\$ 1,918,726
537,461	26,097		1,167,015
(7,589)	(1,221)		22,360
(12,809)			7,924
		(6,805)	24,217
(36,469)	(84,947)	17,881	(81,971)
(7,528)	7,826	757	(290,484)
		95,211	95,211
429,350	\$ 3,266,977	\$ (856,077)	\$ 2,862,998

## **CAPITAL ASSETS**

# SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY

## GENESEE COUNTY

Exhibit I-1

		September 30, 2004	
		Total	Land
GENERAL GOVERNMENT			
LEGISLATIVE			
Board of Commissioners.....	\$	0	\$ 0
MANAGEMENT AND PLANNING			
Board Coordinator.....		72,275	
County Clerk.....		72,288	
County Treasurer.....		126,085	
Drain Commission.....		4,076,435	
Elections/Campaign Financing.....		0	
Equalization.....		103,114	
Register of Deeds.....		127,738	
		<u>4,577,935</u>	<u>0</u>
ADMINISTRATION OF JUSTICE			
Adult Probation.....		0	
Circuit Court.....		3,649,427	253,992
District Court.....		1,595,152	
Friend of the Court.....		0	
Jury Board.....		1,105	
Probate Court.....		54,837	
Prosecutor.....		74,966	
		<u>5,375,487</u>	<u>253,992</u>
LAW ENFORCEMENT AND COMMUNITY PROTECTION			
Animal Shelter.....		1,785,243	
Office of Emergency Preparedness.....		17,522	
Public Safety.....		28,404,546	73,300
		<u>30,207,311</u>	<u>73,300</u>
HUMAN SERVICES			
Veteran's Information.....		21,771	
County Health.....		1,715,897	54,000
		<u>1,737,668</u>	<u>54,000</u>
COMMUNITY ENRICHMENT AND DEVELOPMENT			
Cooperative Extension.....		429,881	
Total Quality Management.....		2,600	
		<u>432,481</u>	<u>0</u>
COMMUNITY MENTAL HEALTH.....			
		<u>1,227,280</u>	<u>0</u>
GENERAL			
Land and Improvements.....		3,882,101	3,650,039
Buildings and Improvements.....		63,848,020	
Equipment.....		3,127,927	
		<u>70,858,048</u>	<u>3,650,039</u>
TOTAL GENERAL GOVERNMENT		114,416,210	4,031,331
RECREATION.....		25,081,639	8,802,286
		<u>139,497,849</u>	<u>12,833,617</u>
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS			
Construction in Progress.....		168,916	
		<u>139,666,765</u>	
TOTAL CAPITAL ASSETS			
	\$	139,666,765	\$

Land Improvements	Buildings and Improvements	Equipment
\$ 0	\$ 0	\$ 0
		72,275
		72,288
		126,085
		4,076,435
		103,114
		127,738
0	0	4,577,935
18,578	1,423,241	1,953,616
	1,432,001	163,151
		1,105
		54,837
		74,966
18,578	2,855,242	2,247,675
1,423	1,747,860	35,960
		17,522
385,136	26,906,971	1,039,139
386,559	28,654,831	1,092,621
		21,771
		1,661,897
		1,683,668
	363,710	66,171
		2,600
0	363,710	68,771
0	0	1,227,280
232,062	63,848,020	
		3,127,927
232,062	63,848,020	3,127,927
637,199	95,721,803	14,025,877
6,238,290	9,829,559	211,504
\$ 6,875,489	\$ 105,551,362	\$ 14,237,381

# SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY

GENESEE COUNTY

Exhibit I-2

	Fiscal Year Ended September 30, 2004			
	Capital Assets October 1, 2003	Additions	Deletions	Capital Assets September 30, 2004
GENERAL GOVERNMENT				
LEGISLATIVE				
Board of Commissioners.....	\$ 953,314	\$	\$ 953,314	\$ 0
MANAGEMENT AND PLANNING				
Board Coordinator.....	139,753		67,478	72,275
County Clerk.....	455,957		383,669	72,288
County Treasurer.....	244,588	4,860	123,363	126,085
Drain Commission.....	4,065,567	10,868		4,076,435
Elections/Campaign Financing.....	286,926		286,926	0
Equalization.....	155,474	12,711	65,071	103,114
Register of Deeds.....	248,966		121,228	127,738
	5,597,231	28,439	1,047,735	4,577,935
ADMINISTRATION OF JUSTICE				
Adult Probation.....	210,552		210,552	0
Circuit Court.....	4,760,211		1,110,784	3,649,427
District Court.....	1,947,487	5,695	358,030	1,595,152
Friend of the Court.....	356,744		356,744	0
Jury Board.....	1,105			1,105
Probate Court.....	255,449		200,612	54,837
Prosecutor.....	481,390	7,745	414,169	74,966
	8,012,938	13,440	2,650,891	5,375,487
LAW ENFORCEMENT AND COMMUNITY PROTECTION				
Animal Shelter.....	1,899,756		114,513	1,785,243
Office of Emergency Preparedness.....	71,105		53,583	17,522
Public Safety.....	30,057,007	34,016	1,686,477	28,404,546
	32,027,868	34,016	1,854,573	30,207,311
HUMAN SERVICES				
Veteran's Information.....	21,771			21,771
County Health.....	1,610,164	105,733		1,715,897
	1,631,935	105,733	0	1,737,668
COMMUNITY ENRICHMENT AND DEVELOPMENT				
Cooperative Extension.....	429,881			429,881
Total Quality Management.....	2,600			2,600
	432,481	0	0	432,481
COMMUNITY MENTAL HEALTH.....	1,387,646	115,162	275,528	1,227,280
GENERAL				
Land and Improvements.....	3,399,323	482,778		3,882,101
Buildings and Improvements.....	36,824,935	27,023,085		63,848,020
Equipment.....	2,010,988	1,116,939		3,127,927
	42,235,246	28,622,802	0	70,858,048
TOTAL GENERAL GOVERNMENT	92,278,659	28,919,592	6,782,041	114,416,210
RECREATION.....	24,179,507	902,132		25,081,639
TOTAL CAPITAL ASSETS ALLOCATED TO FUNCTIONS				
	\$ 116,458,166	\$ 29,821,724	\$ 6,782,041	\$ 139,497,849
Construction in Progress.....	22,985,951	168,916	22,985,951	168,916
TOTAL CAPITAL ASSETS				
	\$ 139,444,117	\$ 29,990,640	\$ 29,767,992	\$ 139,666,765

# **STATISTICAL DATA**

---

## **III Statistical Section**

**The Statistical Section contains data reflecting financial, social, and economic trends of the County in 2004 and prior years.**

**SCHEDULE OF CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY**

**GENESEE COUNTY**

**Exhibit I-1**

Fiscal Year	Legislative	Management And Planning	Administration Of Justice	Enforcement And Community Protection	Human Services	Community Enrichment and Development
1995	\$ 881,561	\$ 7,822,558	\$ 24,760,180	\$ 22,911,398	\$ 107,797,656	\$ 8,408,728
1996 (1)	633,221	5,953,676	18,698,581	17,055,878	81,850,812	5,875,882
1997	735,171	7,751,712	24,706,083	23,927,406	119,984,362	8,258,615
1998	782,033	8,670,289	25,995,612	24,781,254	128,942,305	9,206,326
1999	934,457	8,796,702	27,397,668	24,903,604	148,913,350	10,319,934
2000	791,432	8,400,071	30,130,249	26,528,212	157,141,042	10,842,760
2001	737,376	8,893,000	32,641,399	28,811,997	173,456,318	7,086,572
2002	802,421	10,332,028	33,312,780	30,132,814	185,210,860	7,912,569
2003	836,525	10,730,757	35,730,821	31,170,314	189,995,280	9,366,372
2004	924,581	10,548,857	36,280,906	32,194,935	192,932,327	7,539,899

(1) 1996 reflects only 9 months of activity.

Fiscal Year	Taxes	Licenses and Permits	Fines and Forfeitures	Use Of Money	Federal Grants	State Grants
1995	\$ 39,967,357	\$ 981,737	\$ 1,552,327	\$ 2,436,195	\$ 33,009,891	\$ 40,503,773
1996 (1)	40,807,238	913,792	1,238,781	1,772,345	24,433,567	21,999,514
1997	43,344,487	915,934	1,806,163	2,079,188	31,766,445	48,040,743
1998	45,333,981	847,767	1,975,856	2,428,956	35,329,871	49,335,103
1999	48,114,172	881,789	2,251,636	2,416,549	41,589,456	44,936,211
2000	50,235,923	940,522	2,327,502	4,328,841	45,905,372	49,124,272
2001	52,779,443	1,062,359	1,602,481	3,440,911	52,560,978	51,780,681
2002	56,339,393	985,811	2,036,590	1,591,526	59,266,293	50,983,604
2003	59,330,821	1,020,218	2,603,628	873,205	63,459,559	44,853,105
2004	61,506,389	1,135,328	2,634,086	341,247	58,521,771	50,345,235

(1) 1996 reflects only 9 months of activity.



General Support		Other		Capital Outlay		Debt Service		Total	
\$	270,488	\$	5,217,117	\$	2,242,206	\$	4,952,513	\$	185,264,405
	234,620		4,859,470		2,201,522		4,133,991		141,497,653
	299,688		5,164,751		1,772,599		3,818,554		196,418,941
	314,743		5,380,678		2,324,647		6,182,832		212,580,719
	424,951		5,534,983		2,760,765		3,828,206		233,814,620
	251,856		6,801,683		2,658,188		5,562,018		249,107,511
	223,428		7,905,203		3,177,100		5,557,344		268,489,737
	312,012		9,470,451		10,732,099		5,150,693		293,368,727
	244,295		11,049,688		4,972,876		5,628,493		299,725,421
	199,860		12,177,907		4,380,397		5,069,231		302,248,900

Other Intergovernmental Revenue		Charges For Services		Other	Debt Service	Total			
\$	12,982,373	\$	43,233,025	\$	4,238,041	\$	1,621,977	\$	180,526,696
	11,183,591		40,918,898		2,794,846		1,371,351		147,433,923
	17,386,697		47,318,021		4,692,941		1,001,325		198,351,944
	18,791,695		54,425,736		4,729,432		1,040,020		214,238,417
	18,606,198		71,568,319		4,782,835		671,741		235,818,906
	19,600,354		72,467,205		4,613,357		1,107,488		250,650,836
	20,175,195		74,856,888		3,637,222		1,949,630		263,845,788
	19,206,174		77,931,129		5,007,064		1,906,591		275,254,175
	21,322,672		80,841,773		7,283,432		3,129,391		284,717,804
	14,845,416		88,562,628		15,806,629		4,455,707		298,154,436

# PROPERTY TAX LEVIES AND COLLECTIONS - UNAUDITED

## GENESEE COUNTY

### Last Ten Fiscal Years

Table 3

Fiscal (1) Year	Tax Levy	As of March 1st		As of September 30, 2004		Percent of Total Tax Collections To Tax Levy	Outstanding Delinquent Taxes	Percent of Delinquent Taxes to Tax Levy
		Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections			
1995	\$ 41,088,094	\$ 38,008,516	% 92.5	\$ 3,042,094	\$ 41,050,610	99.9 %	\$ 37,484	0.1 %
1996	42,086,498	38,899,809	92.4	3,164,263	42,064,072	99.9	22,426	0.1
1997	43,866,335	40,531,839	92.4	3,277,543	43,809,382	99.9	56,953	0.1
1998	45,631,814	41,986,210	92.0	3,606,528	45,592,738	99.9	39,076	0.1
1999	48,400,678	44,274,120	91.5	4,088,264	48,362,384	99.9	38,294	0.1
2000	51,583,762	47,566,435	92.2	4,000,840	51,567,275	100.0	16,487	0.0
2001	53,656,134	49,123,362	91.6	4,491,202	53,614,564	99.9	41,570	0.1
2002	57,316,530	52,821,625	92.2	4,385,198	57,206,823	99.8	109,707	0.2
2003	61,019,215	56,373,215	92.4	3,847,657	60,220,872	98.7	798,343	1.3
2004	63,422,129	58,517,508	92.3	2,080,607	60,598,115	95.5	2,824,014	4.5

(1) Year tax is collected - 2002 represents 2001 Levy

# ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY - UNAUDITED

## GENESEE COUNTY

### Last Ten Fiscal Years

Table 4

Fiscal Year (1)	Real Property		Personal Property		Total		Ratio Of Total Assessed To Total Estimated Actual
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1995	\$ 5,484,104,947	\$ 10,968,209,894	\$ 933,052,008	\$ 1,866,104,016	\$ 6,417,156,955	\$ 12,834,313,910	50.0 (2)
1996	5,894,717,372	11,789,434,744	992,158,051	1,984,316,102	6,886,875,423	13,773,750,846	50.0
1997	6,414,774,166	12,827,083,228	1,022,639,817	2,045,279,634	7,437,413,983	14,872,362,862	50.0
1998	7,047,260,568	14,094,236,442	1,079,558,472	2,159,116,944	8,126,819,040	16,253,353,386	50.0
1999	7,719,485,176	15,438,970,352	1,107,014,736	2,214,029,472	8,826,499,912	17,652,999,824	50.0
2000	8,367,025,322	16,734,050,644	1,001,088,087	2,002,176,174	9,368,113,409	18,736,226,818	50.0
2001	9,146,423,323	18,292,846,646	952,603,020	1,905,206,040	10,099,026,343	20,198,052,686	50.0
2002	9,948,824,711	19,897,649,422	961,439,475	1,922,878,950	10,910,264,186	21,820,528,372	50.0
2003	10,714,522,242	21,429,044,484	934,450,805	1,868,901,610	11,648,973,047	23,297,946,094	50.0
2003	11,384,052,928	22,768,105,856	910,494,020	1,820,988,040	12,294,546,948	24,589,093,896	50.0

(1) Represents the year in which property taxes are levied, collections of which were received in the subsequent year.

(2) Assessed value was equal to State Equalized Value Due to an assessment freeze for the 1992 tax levy.

**PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS  
(PER \$1,000 OF STATE EQUALIZED VALUE) - UNAUDITED**

**GENESEE COUNTY**

**Last Ten Fiscal Years**

**Table 5**

Fiscal (1) Year	Townships Cities and Village	Special Assess.	County Operating	District Library	Schools	Mott Community College	Genesee Intermed. Schools	County Parks	County Paramedics	Airport Authority	Total
1995	8.80	0.81	5.59	0.69	15.47 (2)	1.86	3.39	0.49	0.49	0.49	38.08
1996	10.76	0.20	5.59	0.69	16.24	1.86	3.40	0.49	0.49	0.49	40.21
1997	10.81	0.22	5.59	0.69	16.36	1.89	3.40	0.49	0.49	0.49	40.43
1998	10.26	0.21	5.59	0.79	16.36	1.86	3.40	0.49	0.49	0.49	39.94
1999	8.89	0.20	5.58	0.78	15.78	1.87	3.29	0.49	0.49	0.49	37.86
2000	8.71	0.22	5.58	0.78	15.73	1.87	3.28	0.49	0.49	0.49	37.64
2001	8.25	0.19	5.58	0.78	15.57	1.61	2.89	0.49	0.49	0.49	36.34
2002	9.41	0.17	5.58	0.78	15.21	2.00	3.49	0.49	0.49	0.49	38.11
2003	8.82	0.19	5.55	0.77	14.52	1.84	3.57	0.49	0.49	0.49	36.73
2004	9.12	0.17	5.52	0.76	13.79	1.94	3.40	0.49	0.49	0.49	36.17

(1) This indicates the year in which the tax is collected. 2004 refers to the 2003 Tax Levy, 2003 refers to the 2002 Tax Levy, and so on.

(2) Decrease in school millage attributable to passage of Proposal A which shifted school funding from property taxes to sales taxes.

**SPECIAL ASSESSMENT COLLECTIONS - UNAUDITED**

**GENESEE COUNTY**

**Last Ten Fiscal Years**

**Table 6**

Fiscal Year	Assessments Due	Current Assessments Collected	Ratio Of Collections To Amount Due	Total Outstanding Assessments
1995	\$ 1,174,155	\$ 1,173,854	100.0 %	\$ 301
1996	1,477,195	1,475,767	99.9	1,428
1997	2,170,794	2,170,058	100.0	736
1998	1,456,197	1,455,538	100.0	659
1999	1,514,911	1,514,469	100.0	442
2000	1,733,274	1,732,685	100.0	589
2001	1,520,046	1,518,845	99.9	1,201
2002	1,480,576	1,479,322	99.9	1,254
2003	1,704,717	1,594,807	93.6	53,247
2004	1,630,799	1,527,113	93.6	103,686

# **RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA - UNAUDITED**

## **GENESEE COUNTY**

**Last Ten Fiscal Years**

**Table 7**

Fiscal Year	(1) Population	Assessed Value (In Thousands)	Gross Long-Term Debt(4)(5)	Debt Service Monies Available	Payable From Enterprise Revenues	Net Bonded Debt	Net Bonded Debt To Assessed Value	Net Bonded Debt Per Capita
1995	430,459 (2)	\$ 6,417,157	\$ 141,236,176	\$ 1,021,077	\$ 2,350,000	\$ 137,865,099	2.1 %	\$ 320.27
1996	430,459 (2)	6,886,875	143,417,783	821,635	1,990,000	140,606,148	2.0	326.64
1997	430,459 (2)	7,437,414	140,738,145	167,045	1,640,000	138,931,100	1.9	322.75
1998	430,459 (2)	8,126,819	136,368,577	167,045	1,538,000	134,663,532	1.7	312.84
1999	430,459 (2)	8,826,500	147,563,731	176,883	1,179,000	146,207,848	1.7	339.66
2000	430,459 (2)	9,368,113	136,606,244	486,451	1,117,000	135,002,793	1.4	313.63
2001	436,141 (3)	10,099,026	131,036,575	62,139	1,044,500	129,929,936	1.3	297.91
2002	436,141 (3)	10,910,264	120,980,025	61,867	921,500	119,996,658	1.3	275.13
2003	436,141 (3)	11,648,973	120,694,870	200,500	766,000	119,728,370	1.0	274.52
2004	436,141 (3)	12,294,547	147,317,830	133,059	609,000	146,575,771	1.2	336.07

(1) Represents the year in which property taxes are levied, collections of which will be made in the subsequent year.  
(2) 1990 Census figures (1995-2000)  
(3) 2001 Census figures (2002-2003)  
(4) Includes long-term debt of Division of Water and Waste Services, Road Commission, and the Drains and excludes non-bonded debt. See Table 8 below for 2002 combination.  
(5) No sinking fund requirements exist on the debt reflected above.

# **COMPUTATION OF LEGAL DEBT MARGIN - UNAUDITED**

## **GENESEE COUNTY**

**September 30, 2004**

**Table 8**

State Equalized Value.....	<u>\$ 12,294,546,948</u>
Total long-term debt.....	\$ 36,946,320
Plus delinquent tax notes (Current).....	14,617,000
Component Unit Debt:	
Water and Waste Services (12/31/2003).....	100,165,000
Road Commission.....	5,016,814
Drain Fund.....	<u>2,173,708</u>
	158,918,842
Less long-term debt not subject to legal debt limit:	
Non-Bonded Debt.....	1,446,897
Road Commission Debt Not subject to legal debt limit.....	4,415,000
Water and Waste Service Sewer Bonds.....	71,470,000
Drain Fund special assessment debt.....	<u>1,268,708</u>
	DEBT SUBJECT TO LIMIT
	<u>80,318,237</u>
Legal debt limit (10% of State Equalized Value of property in County).....	<u>1,229,454,695</u>
	LEGAL DEBT MARGIN
	<u>\$ 1,149,136,458</u>

# COMPUTATION OF DIRECT AND OVERLAPPING DEBT - UNAUDITED

## GENESEE COUNTY

September 30, 2004

Table 9

	Net Debt Outstanding	Percentage Applicable Name of Government	Amount Applicable Genesee County
County at Large.....	\$ 124,870,930	27.7 %	\$ 34,595,000
School Districts.....	425,952,362	86.1	366,591,155
Cities and Villages.....	57,681,072	100.0	57,681,072
Townships.....	27,564,986	100.0	27,564,986
County-issued Bonds paid by local municipalities.....	90,252,772	100.0	90,252,772
Mott Community College and Genesee Intermediate School District.....	69,250,000	88.9	61,547,000
			<u>\$ 638,231,985</u>

# RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL LONG-TERM DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES - UNAUDITED

## GENESEE COUNTY

Last Ten Fiscal Years

Table 10

Fiscal Year	Principal	Interest	Total Debt Service	(1)	Total General Governmental Expenditures	(2)	Ratio of Debt Service To General Govt. Expenditures (Percent)
1995	\$ 3,411,685	\$ 1,540,828	\$ 4,952,513		\$ 185,264,405		2.7 %
1996	3,330,968	803,023	4,133,991		141,497,653		2.9
1997	2,550,719	1,267,835	3,818,554		196,418,941		1.9
1998	2,608,318	1,273,734	3,882,052		211,306,985		1.8
1999	2,826,321	1,001,885	3,828,206		233,814,620		1.6
2000	3,679,322	1,882,696	5,562,018		249,107,511		2.2
2001	3,732,319	1,825,025	5,557,344		268,489,737		2.1
2002	3,417,248	1,733,445	5,150,693		293,368,727		1.8
2003	3,752,248	1,876,245	5,628,493		299,725,421		1.9
2004	3,427,248	1,641,983	5,069,231		302,248,900		1.7

(1) Excludes bond issuance and other costs.

(2) Includes general, special revenue and debt service funds.

**REVENUE BOND COVERAGE - PARK SYSTEM RECREATIONAL  
FACILITIES ENTERPRISE BONDS - UNAUDITED**

**GENESEE COUNTY**

**Last Ten Fiscal Years**

**Table 11**

	2004	2003	2002	2001	2000	1999	1998	1997	1996	1995
Net Income (Loss).....	\$ (1,064,356)	\$ (316,537)	\$ (328,036)	\$ (378,543)	\$ (320,283)	\$ 496,292	\$ 471,501	\$ 418,183	\$ 163,848	\$ 28,361
Add:										
Depreciation.....	139,416	165,880	77,885	83,794	86,099	138,469	151,198	99,012	152,317	272,004
Interest Expense.....	32,065	37,900	46,080	51,192	56,500	61,743	75,125	97,852	92,791	114,321
Amortization of bond issuance costs.....	11,226	16,981	14,069	14,069	14,069	21,069	44,908	22,523	16,892	22,523
<b>AMOUNT AVAILABLE REVENUE BOND DEBT SERVICE</b>	<b>\$ (881,649)</b>	<b>\$ (95,776)</b>	<b>\$ (190,002)</b>	<b>\$ (229,488)</b>	<b>\$ (163,615)</b>	<b>\$ 717,573</b>	<b>\$ 742,732</b>	<b>\$ 637,570</b>	<b>\$ 425,848</b>	<b>\$ 437,209</b>
<b>REVENUE BOND DEBT SERVICE</b>	<b>\$ 225,465</b>	<b>\$ 193,400</b>	<b>\$ 169,080</b>	<b>\$ 123,692</b>	<b>\$ 118,500</b>	<b>\$ 420,743</b>	<b>\$ 427,595</b>	<b>\$ 447,852</b>	<b>\$ 452,791</b>	<b>\$ 449,263</b>

**LABOR CONTRACTS**

**GENESEE COUNTY**

**September 30, 2004**

**Table 12**

	Contract Expiration	
American Federation of State, County, and Municipal Employees		
Local 496.....	09/30/04	*
Local 916.....	12/31/04	*
Local 916, Chapters F & G.....	12/31/04	*
P.O.A.M. (Police Officers & Jail Security).....	12/31/03	*
Mobile Meals Drivers.....	09/30/04	*
Teamsters, Local 214		
Park Maintenance.....	12/31/04	*
Friend of the Court Supervisors.....	12/31/04	*
Service Employees International Union		
Drain Maintenance.....	12/31/04	*
Technical, Professional, and Office Workers Association of Michigan		
Social Service Workers.....	12/31/04	*
Judicial Secretaries		
Judicial Secretaries.....	12/31/04	*
Court Stenographers		
Court Stenographers.....	12/31/04	*

\*In negotiations

# DEMOGRAPHIC STATISTICS - UNAUDITED

## GENESEE COUNTY

Table 13

### Population Count: (1)

1960.....	374,313
1970.....	445,589
1980.....	450,449
1986.....	431,300 (2)
1990.....	430,459
1995.....	436,700 (2)
2000.....	436,141

### Age Distribution:

	Under 5	5-9	10-14	15-19	20-24	25-44	45-64	65 and Over
1960	52,656	44,414	35,700	25,828	22,841	103,083	66,536	23,255
1970	44,988	51,297	53,120	42,529	34,078	112,028	77,234	30,345
1978	36,876	40,435	44,772	48,225	40,913	121,613	84,132	33,992
1980	36,083	37,974	42,064	45,887	43,695	124,421	84,490	35,835
1985	34,766	35,276	35,017	38,124	37,976	133,421	80,922	39,402
1990	33,096	34,073	33,349	33,794	30,717	137,306	84,541	43,583
2000	31,622	35,181	33,562	31,279	26,698	129,408	97,784	50,607

### 2001

Age	Males		Females	
	Number	Percentage	Number	Percentage
Under 5 Years old.....	16,198	7.8 %	15,424	6.8 %
5-9 years old.....	18,001	8.6	17,180	7.6
10-14 years old.....	17,085	8.1	16,477	7.3
15-19 years old.....	15,912	7.6	15,367	6.8
20-24 years old.....	12,984	6.2	13,714	6.1
25-34 years old.....	28,572	13.6	30,906	13.6
35-44 years old.....	33,597	16.0	36,333	16.0
45-54 years old.....	28,761	13.7	31,086	13.7
55-59 years old.....	10,253	4.9	10,932	4.8
60-64 years old.....	7,724	3.7	9,028	4.0
65-74 years old.....	12,792	6.1	15,808	7.0
75 years old and over.....	7,813	3.7	14,194	6.3
TOTAL.....	209,692	100.0 %	226,449	100.0 %

### Distribution of families by income bracket:

Income	2001 Genesee County	
	Number	Percentage
Less than \$10,000.....	5,744	5.2 %
\$10,000-14,999.....	7,498	6.9
\$15,000-24,999.....	13,790	12.6
\$25,000-34,999.....	15,045	13.8
\$35,000-49,999.....	16,304	14.9
\$50,000-74,999.....	19,858	18.2
\$75,000-99,999.....	13,650	12.5
\$100,000-149,999.....	13,069	12.0
\$150,000-199,999.....	2,461	2.3
Over \$200,000.....	1,696	1.6
TOTAL.....	109,115	100.0 %
Median Income-2001.....		\$46,190

(1) U.S. Census of Population

(2) Estimate from State of Michigan

# DEMOGRAPHIC STATISTICS - UNAUDITED - CONTINUED

## GENESEE COUNTY

Table 13 Continued

Unemployment:		Per Capita Income:(4)	
1994.....	8.0 %	1994.....	23,584
1995.....	6.8 %	1995.....	23,591
1996.....	6.3 %	1996.....	23,255
1997.....	5.5 %	1997.....	23,510
1998.....	5.9 %	1998.....	24,171
1999.....	5.6 %	1999.....	24,556
2000.....	5.4 %	2000.....	25,204
2001.....	7.5 %	2001.....	25,105
2002.....	8.6 %	2002.....	25,977
2003.....	9.4 %	2003.....	Not Available
2004.....	8.9 %	2004.....	Not Available

(3) Michigan Department of Career Development  
(4) U.S. Department of Commerce, Bureau of Economic Analysis

# PROPERTY VALUE, CONSTRUCTION, AND BANK DEPOSITS - UNAUDITED

## GENESEE COUNTY

### Last Ten Fiscal Years

Table 14

Fiscal Year	Residential Construction		Bank Deposits	(1)	Property Value		
	Number of Units	Value			Industrial Commercial	Residential	Agricultural
1995	1,948	\$ 187,805,618	\$ 3,150,563,000		\$ 4,822,514,522	\$ 7,774,882,824	\$ 236,916,564
1996	2,134	218,031,996	3,229,104,000		5,071,658,538	8,449,692,872	247,199,236
1997	2,086	217,042,451	3,352,526,000		5,347,643,054	9,267,763,250	256,956,558
1998	1,951	232,126,802	3,365,584,000		5,703,044,892	10,295,062,298	255,246,196
1999	2,807	284,508,263	3,402,491,000		6,031,436,142	11,360,494,156	261,069,526
2000	2,345	268,111,000	3,643,612,000		6,168,420,958	12,304,954,260	262,851,600
2001	2,781	300,636,637	3,634,128,000		6,368,062,284	13,570,250,142	259,740,260
2002	2,352	295,034,655	3,522,542,000		6,638,538,508	14,906,923,354	275,066,510
2003	2,169	302,189,976	3,710,109,000		6,819,879,832	16,202,492,862	275,573,400
2004	2,291	330,404,621	3,782,297,000		7,000,866,512	17,243,442,678	344,784,706

(1) FDIC.  
(2) Bureau of Census, Construction Reports, Housing Units Authorized by Building Permits and Public Contracts.



## PRINCIPAL TAXPAYERS - UNAUDITED

### GENESEE COUNTY

Last Ten Fiscal Years

Table 15

	Ad Valorem			Specific		% Of Total SEV
	Real SEV	Personal SEV	Total	SEV	Total	
General Motors Corporation.....	\$ 179,829,356	\$ 140,907,070	\$ 320,736,426	\$ 68,226,700	\$ 388,963,126	3.16 %
Consumers Power Co.....	12,510,083	205,910,638	218,420,721		218,420,721	1.78
Delphi Automotive.....	33,541,770	61,509,300	95,051,070	5,066,900	100,117,970	0.81
Genesee Valley Center.....	55,312,300	81,800	55,394,100		55,394,100	0.45
Edward Rose Assoc.....	26,371,172	131,310	26,502,482		26,502,482	0.22
Vemco Inc.....	5,596,700	15,039,500	20,636,200		20,636,200	0.17
Home Depot.....	16,689,109	3,154,500	19,843,609		19,843,609	0.16
Ring Screw Works (ETAL).....	6,824,106	9,598,300	16,422,406	2,274,900	18,697,306	0.15
Meijer Inc.....	13,064,369	4,843,000	17,907,369		17,907,369	0.15
Ramco-Gershenson Prop.....	16,786,602		16,786,602		16,786,602	0.14
	<u>\$ 366,525,567</u>	<u>\$ 441,175,418</u>	<u>\$ 807,700,985</u>	<u>\$ 75,568,500</u>	<u>\$ 883,269,485</u>	<u>7.19 %</u>

## SALARIES AND SURETY BONDS OF PRINCIPLE OFFICIALS - UNAUDITED

### GENESEE COUNTY

September 30, 2004

Table 16

<u>Name and Title of Official</u> (1)	<u>Salary</u>
Daniel T. Kildee, County Treasurer.....	\$ 80,962
Arthur Busch, Prosecuting Attorney.....	111,970
Carl H. Carlson, County Surveyor.....	(2)
Michael J. Carr, County Clerk.....	77,223
Melvin P. McCree, Register of Deeds.....	78,070
Jeffery Wright, Drain Commissioner.....	111,721
Robert J. Pickell, Genesee County Sheriff.....	84,730

(1) All County employees are bonded under a \$1,500,000 blanket surety bond.

(2) Non-salaried position

# MISCELLANEOUS STATISTICS - UNAUDITED

## GENESEE COUNTY

## TABLE 17

Date of Incorporation: March 18, 1835  
 Form of government: Elected Board of Commissioners  
 Area: Approximately 642 square miles

Retail Sales: <sup>(1)</sup>	
1995.....	\$ 4,339,695,000
1996.....	4,663,075,000
1997.....	4,951,715,000
1998.....	5,169,530,000
1999.....	5,435,824,000
2000.....	5,842,488,000
2001.....	5,984,647,000
2002.....	5,693,816,000
2003.....	5,661,885,000
2004.....	5,846,798,000

<sup>(1)</sup> Sales and Marketing Management Magazine(Survey of Buying Power)

Miles of Streets:  
 State Trunkline Roads- 384 miles, 80 interchange ramps  
 Primary - 472 miles paved  
 Local Section Line Roads - 265 miles paved and 381 miles graveled  
 Subdivision Roads - 321 miles paved and 100 miles graveled

Number of streetlights: 900  
 Number of traffic signals: 283

Police protection:  
 Number of Employees: 224  
 Jail: 355 housing cells, 6 isolation rooms, 6 safety cells, and 9 medical cells  
 Vehicle patrol units: 21 automobiles, 9 boats, and 9 paramedic vehicles

Recreation:  
 Approximately 11,000 acres of parks  
 5 beaches  
 2 campgrounds  
 4 bicycle paths  
 2 boat launches  
 5 picnic areas  
 4 snowmobile areas  
 Historical Crossroads Village - Huckleberry Railroad & Genesee Belle PaddleWheel Boat  
 For-Mar Nature Preserve and Arboretum  
 The Mounds recreational vehicle area  
 Stepping Stone Falls  
 Cross-country ski and tobogganing area  
 Golf Courses - 4 City municipal, 12 Public and 10 Private

Education:

Kindergarten-Grade 6.....	43,688
Grades 7 - 12.....	34,541
Special education and part-time.....	6,484

Total Public School Students.....	84,713
-----------------------------------	--------

Private Schools - Grade K-12.....	4,710
-----------------------------------	-------

Total Students (K-12)	<u>89,423</u>
-----------------------	---------------

Number of schools:

High schools.....	27
Middle/Jr. High schools.....	26
Special schools.....	16
Elementary schools.....	99
Private schools.....	30

Number of Personnel:

Teachers(including special education personnel).....	4,504
Pupil/teacher ratio.....	19.09
Professional personnel.....	3,761
Pupil/professional personnel ratio.....	22.87

Colleges:

University of Michigan-Flint.....	6,188
Mott Community College.....	10,422
Baker College.....	5,640
Davenport University.....	243
Kettering University.....	2,992

Elections:

August 3, 2004 Primary		
Registered Voters.....	326,456	
Ballots Cast.....	62,789	19.2%

November 2, 2004 General		
Registered Voters.....	335,361	
Ballots Cast.....	214,718	64.0%

**EMPLOYEES RETIREMENT SYSTEM -  
COMPARATIVE SCHEDULE ACTUARIAL VALUATIONS - UNAUDITED**

**GENESEE COUNTY**

**Last Ten Fiscal Years**

**Table 18**

(\$ amounts in thousands)							
Valuation Date December 31	Valuation Assets	APVCPB	Funded Ratio	UAPVCPB	Ratio of UAPVCPB to APVCPB	Member Payroll	Ratio of UAPVCPB to Payroll
1994 <sup>(1)</sup>	\$ 270,364	\$ 294,815	91.7 %	\$ 24,451	8.29 %	\$ 65,137	37.54 %
1995 <sup>(1)</sup>	299,417	307,598	97.3	8,181	2.66	69,200	11.82
1996 <sup>(1)</sup>	317,581	320,076	99.2	2,495	0.78	65,206	3.83
1997 <sup>(1)</sup>	331,952	324,882	102.2	(7,070)	(2.18)	61,108	(11.57)
1998 <sup>(1)</sup>	380,089	343,752	110.6	(36,338)	(10.57)	62,421	(58.21)
1999 <sup>(1)</sup>	418,745	369,606	113.3	(49,139)	(13.29)	64,378	(76.33)
2000 <sup>(1)</sup>	432,631	399,583	108.3	(33,048)	(8.27)	63,781	(51.81)
2001 <sup>(1)</sup>	425,847	403,159	105.6	(22,688)	(5.63)	65,765	(34.50)
2002 <sup>(1)</sup>	414,126	423,009	97.9	8,884	2.10	68,667	12.94
2003 <sup>(1)</sup>	405,218	433,148	93.6	27,930	6.45	70,143	39.82

<sup>(1)</sup> After changes in benefits and/or actuarial assumptions and actuarial cost methods.

APVCPB - actuarial present value of credited projected benefits.  
UAPVCPB - unfunded actuarial present value of credited projected benefits.

**EMPLOYEES RETIREMENT SYSTEM -  
REVENUES BY SOURCE AND EXPENSES BY TYPE**

**GENESEE COUNTY**

**Last Ten Fiscal Years**

**Table 19**

Year December 31	Employer Contributions	Employee Contributions	Investment Income	Benefit Payments	Admin Expenses	Employee Contributions
1994	\$ 10,514,593	\$ 2,034,264	\$ 8,029,236	(1) \$ 13,046,621	\$ 1,239,620	\$ 164,330
1995	12,397,052	2,570,306	32,679,632	(2) 13,902,238	1,532,622	128,910
1996	11,996,344	2,312,718	49,982,195	(3) 15,194,754	1,959,685	209,799
1997	9,502,102	3,104,472	69,130,654	(4) 16,644,656	330,878 (a)	205,229
1998	8,790,633	2,243,330	32,878,957	(5) 18,008,944	337,638 (a)	145,992
1999	8,030,107	2,412,717	51,117,399	(6) 19,292,089	700,325 (a)	107,117
2000	4,735,018	2,615,818	8,816,574	(7) 21,024,197	346,790 (a)	250,514
2001	4,311,457	2,042,221	(6,530,016)	(8) 22,909,501	326,947 (a)	161,978
2002	6,016,181	2,076,429	(36,568,322)	(9) 23,643,413	342,825 (a)	284,130
2002	6,448,412	2,263,639	76,459,629	(10) 24,610,139	377,858 (a)	300,685

(1) Includes net depreciation in fair value of investments of \$14,600,000.  
(2) Includes net appreciation in fair value of investments of \$37,500,000  
(3) Includes net appreciation in fair value of investments of \$2,280,000  
(4) Includes net depreciation in fair value of investments of \$2,521,430  
(5) Includes net depreciation in fair value of investments of \$23,938,979  
(6) Includes net appreciation in fair value of investments of \$21,919,831  
(7) Includes net depreciation in fair value of investments of \$25,521,562  
(8) Includes net depreciation in fair value of investments of \$13,100,598  
(9) Includes net depreciation in fair value of investments of \$26,575,020  
(10) Includes net depreciation in fair value of investments of \$68,174,647

(a) GASB 25 requires investment fees to be netted against investment income for years beginning after December 31, 1996.